

Retail Equity Research

Reliance Industries Limited

BUY

Sector: Oil, Gas & Consumable Fuels

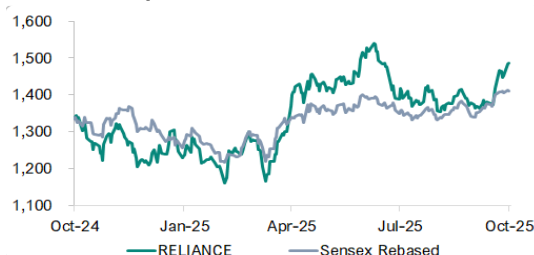
30th October, 2025

Key Changes	Target	Rating	Earnings	Target	Rs. 1,679
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large Cap	RIL:IN	84,997	RELIANCE	500325	12 Months
				CMP	Rs. 1,504
				Return	+12%

Data as of: 29-Oct-2025, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	2,035,352		
52 Week High — Low (Rs.)	1,551 - 1,116		
Enterprise Value (Rs. cr)	2,485,358		
Outstanding Shares (cr)	1,353.2		
Free Float (%)	49.9		
Dividend Yield (%)	0.4		
6m average volume (cr)	1.2		
Beta	1.2		
Face value (Rs.)	10.0		
Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	50.1	50.1	50.0
FII's	19.1	19.2	18.7
MFs/Institutions	19.5	19.8	20.3
Public	9.6	9.2	9.2
Others	1.8	1.7	1.8
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	6.1%	7.4%	12.3%
Absolute Sensex	4.5%	5.9%	5.8%
Relative Return	1.6%	1.5%	6.6%

*over or under performance to benchmark index



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	980,136	1,023,141	1,101,730
Growth (%)	7.2	4.4	7.7
EBITDA	183,944	194,450	214,377
EBITDA Margin (%)	18.8	19.0	19.5
PAT Adjusted	69,648	80,726	93,467
Growth (%)	0.0	15.9	15.8
Adjusted EPS	51.5	59.7	69.1
Growth (%)	0.0	15.9	15.8
P/E	24.8	25.2	21.8
P/B	2.0	2.2	2.0
EV/EBITDA	11.8	12.8	11.6
ROE (%)	8.3	8.8	9.3
D/E	0.4	0.4	0.3

Diversified growth driving sustainable returns

Reliance Industries Ltd (RIL) manufactures petrochemicals, synthetic fibres, fibre intermediates, textiles, blended yarns and polyester staple fibres. Its petroleum refinery-cum-petrochemicals complex in Jamnagar, Gujarat, produces gasoline, superior kerosene oil and liquefied petroleum gas, among other products.

- RIL's revenue rose 9.9% YoY to Rs. 258,898cr in Q2FY26, driven by robust double-digit growth across its key business segments.
- Revenue from the digital services division rose 14.6% YoY to Rs. 43,617cr and revenue from the retail business jumped 18.6% YoY to Rs. 90,544cr.
- EBITDA climbed 13.9% YoY to Rs. 50,313cr in Q2FY26, led by strong topline growth, offsetting the increase in employee benefit expense (+12.7% YoY), purchases of stock in trade (+23.6% YoY) and other expense (+15.1% YoY).
- EBITDA margin expanded 60bps to 19.4% in Q2FY26 from 18.8% in Q2FY25.
- Reported Profit after tax (PAT) grew 14.3% YoY to Rs. 22,092cr on the back of revenue growth, despite a 13.5% YoY increase in finance costs due to operationalisation of 5G spectrum assets and higher liability balances.
- Capex for Q2FY26 stood at Rs. 40,010cr. The allocation was primarily towards expanding the oil-to-chemicals (O2C) capacity, enhancing Jio's telecom network and digital services, growing the retail presence and establishing gigafactories.

Outlook & Valuation

RIL demonstrated robust growth supported by strong execution across O2C, retail and digital services in Q2FY26. Retail continues to benefit from festive demand, premiumisation and omnichannel penetration. Jio's technology edge ensures continued leadership in connectivity and digital ecosystems. The company's ongoing expansion in consumer business, rapid scale-up of JioAirFiber, focus on indigenous artificial intelligence (AI) capability and new energy initiatives strengthen its long-term growth visibility. With investments aligned toward emerging opportunities in energy transition and advanced technology, RIL is well-positioned to deliver sustainable value creation. Hence, **we upgrade our rating on the stock to BUY from HOLD based on SOTP valuation with a revised target price of Rs. 1,679.**

Quarterly Financials Consolidated

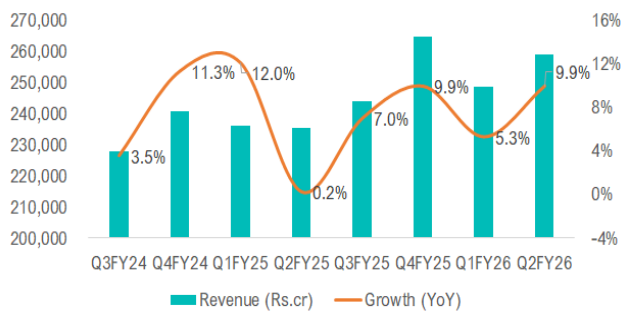
Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	258,898	235,481	9.9	248,660	4.1	507,558	471,698	7.6
EBITDA	50,313	44,156	13.9	58,126	-13.4	108,439	86,901	24.8
Margin (%)	19.4	18.8	60bps	23.4	-400bps	21.4	18.4	300bps
EBIT	35,897	31,276	14.8	44,284	-18.9	80,181	60,425	32.7
PBT	29,070	25,259	15.1	37,248	-22.0	66,318	48,490	36.8
Rep. PAT	22,092	19,323	14.3	30,783	-28.2	52,875	36,768	43.8
Adj PAT	18,165	16,563	9.7	26,994	-32.7	45,159	31,701	42.5
Adj. EPS (Rs)	13.4	12.2	9.6	19.9	-32.7	33.4	23.4	42.7



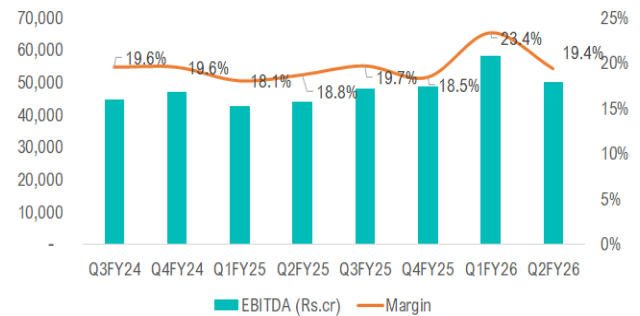
Key concall highlights

- As of September 2025, Reliance Jio's subscriber base expanded to 506mn, with net addition of 8.3mn new subscribers in Q2FY26. Average revenue per user (ARPU) rose 8.4% YoY to Rs. 211.4 per month, driven by the residual impact of tariff hikes and influenced by promotional 5G offers.
- JioHotstar maintained a robust average of 400mn monthly active users (MAUs) during the quarter, showcasing enduring user engagement beyond the IPL season. The TV entertainment viewership share surged 30bps YoY to 34.5%, nearing the combined share of the next three biggest networks.
- RIL is nearing its first PV cell line launch, on track to meet its targeted capacity, with expansion plans unfolding in a modular fashion. The solar PV module production is being scaled up from 10 gigawatt-peak to 20 gigawatt, with complete vertical integration.

Revenue



EBITDA



Retail, O2C, telecom driving strong momentum

Revenue from the retail business grew 18.6% YoY, fuelled by robust growth in grocery and fashion categories, due to festive demand, as well as growth in consumer electronics, boosted by the cuts in the goods and services tax (GST) and product launches. Meanwhile, the O2C business's revenue rose 3.2% YoY on the back of volume expansion. The digital service business posted a 14.6% YoY revenue growth, driven by expansion in subscriber base across mobility and homes, coupled with a steady improvement in ARPU. In contrast, the oil and gas segment experienced a 2.6% YoY revenue decline, as natural production fell in the KGD6 basin and price realisation was lower for condensate, partially offset by improved price realisation for KGD6 gas and higher volume of CBM.

SOTP

Particulars	Basis	Multiple	Year	Value (Rs.Cr)	Value/share (Rs)
Digital Services	EV/EBIT	28x	FY27E	1,352,270	999
Organized Retail	EV/EBIT	24x	FY27E	580,079	429
Oil and Gas	EV/EBITDA	8x	FY27E	210,558	156
Others	EV/EBIT	6x	FY27E	8,037	6
Oil to Chemicals	EV/EBIT	10.5x	FY27E	577,501	427
Enterprise Value				2,728,445	2,016
Net Debt				-273,109	-202
Minority Interest				-183,129	-135
Equity Value				2,272,206	1,679
Share price					1,504

Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	1,019,509	1,093,602	1,023,141	1,101,730	0.4	0.7
EBITDA	194,201	209,724	194,450	214,377	0.1	2.2
Margins (%)	19.0	19.2	19.0	19.5	0bps	30bps
Adj. PAT	79,312	89,728	80,726	93,467	1.8	4.2
EPS	58.6	66.3	59.7	69.1	1.8	4.2



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	891,311	914,472	980,136	1,023,141	1,101,730
% change	23.5	2.6	7.2	4.4	7.7
EBITDA	153,920	178,677	183,944	194,450	214,377
% change	22.5	16.1	2.9	5.7	10.2
Depreciation	40,319	50,832	53,136	53,841	55,191
EBIT	113,617	127,845	130,808	140,609	159,187
Interest	19,571	23,118	24,269	25,754	26,205
Other Income	-	-	-	-	-
PBT	94,046	104,727	106,539	114,854	132,982
% change	11.8	11.4	1.7	7.8	15.8
Tax	20,376	25,707	25,230	26,388	30,553
Tax Rate (%)	21.7	24.5	23.7	23.0	23.0
Reported PAT	74,088	79,020	81,309	88,467	102,429
PAT att. to common shareholders	66,702	69,621	69,648	80,726	93,467
Adj.*	-	-	-	-	-
Adj. PAT	66,702	69,621	69,648	80,726	93,467
% change	15.3	4.4	0.0	15.9	15.8
No. of shares (cr)	676.6	*1,353.2	1,353.2	1,353.2	1,353.2
Adj EPS (Rs.)	98.6	51.4	51.5	59.7	69.1
% change	13.8	-47.8	0.0	15.9	15.8
DPS (Rs.)	9.0	10.0	5.5	5.4	6.2

*Reliance announced 1:1 bonus share on Oct 28, 2024.

Balance Sheet

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	68,664	97,225	106,502	123,252	129,973
Accts. Re-	28,448	31,628	42,121	45,018	49,027
Inventories	140,008	152,770	146,062	161,559	178,199
Other Cur.	188,176	188,477	204,585	206,344	208,120
Investments	117,087	152,382	169,710	217,200	255,192
Gross Fixed Assets	794,544	856,077	965,259	1,109,522	1,262,662
Net Fixed	570,503	606,084	683,102	775,997	876,371
CWIP	117,259	119,502	123,672	121,199	118,775
Intangible	330,795	360,374	408,939	411,087	430,650
Def. Tax -Net	1,549	938	408	-	-
Other Assets	44,942	46,606	65,020	65,602	66,190
Total Assets	1,607,431	1,755,986	1,950,121	2,127,257	2,312,497
Current Lia-	260,757	291,352	338,203	411,183	487,675
Provisions	1,607	2,044	28,304	26,889	27,427
Debt Funds	342,096	351,809	380,484	399,092	403,082
Other Liabili-	174,090	184,993	193,504	199,190	209,314
Equity Capital	6,766	6,766	13,532	13,532	13,532
Res. & Sur-	709,106	786,715	829,668	903,206	988,337
Shareholder Funds	715,872	793,481	843,200	916,738	1,001,869
Minority	113,009	132,307	166,426	174,167	183,129
Total Liabilities	1,607,431	1,755,986	1,950,121	2,127,257	2,312,497
BVPS	1,058	586	623	677	740

Cashflow

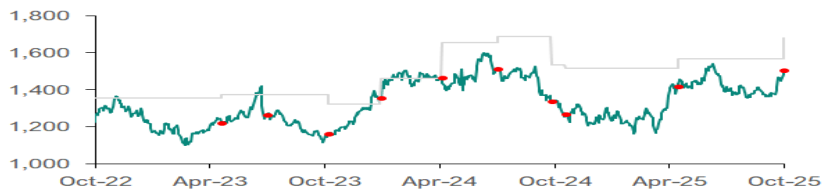
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	114,407	129,852	134,445	142,308	157,620
Non-cash adj.	20,259	22,570	20,534	58,957	61,221
Other adjustments	-	-	-	-	-
Changes in W.C	-19,634	6,366	23,724	9,784	-1,639
C.F. Operation	115,032	158,788	178,703	211,049	217,202
Capital exp.	-131,802	-137,576	-137,624	-144,263	-153,140
Change in inv.	29,444	13,272	-16,356	-47,490	-37,992
Other invest.CF	11,123	10,723	16,445	11,867	11,277
C.F - Investment	-91,235	-113,581	-137,535	-179,886	-179,855
Issue of equity	519	20,922	22	-	-
Issue/repay debt	36,669	6,779	16,291	18,608	3,991
Dividends paid	-5,083	-6,089	-7,180	-7,265	-8,412
Other finance.CF	-21,650	-38,258	-41,024	-25,754	-26,205
C.F - Finance	10,455	-16,646	-31,891	-14,412	-30,626
Chg. in cash	34,252	28,561	9,277	16,750	6,721
Closing Cash	68,664	97,225	106,502	123,252	129,973

Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	17.3	19.5	18.8	19.0	19.5
EBIT margin (%)	12.7	14.0	13.3	13.7	14.4
Net profit mgn.(%)	7.5	7.6	7.1	7.9	8.5
ROE (%)	9.3	8.8	8.3	8.8	9.3
ROCE (%)	9.7	10.0	9.4	9.4	10.0
W.C & Liquidity					
Receivables (days)	11.6	12.6	15.7	16.1	16.2
Inventory (days)	84.9	93.1	82.6	88.3	89.8
Payables (days)	89.2	108.7	105.7	117.5	117.9
Current ratio (x)	1.1	1.2	1.1	1.1	1.0
Quick ratio (x)	0.5	0.6	0.6	0.6	0.5
Turnover & Leverage					
Gross asset T.O (x)	1.1	1.1	1.1	1.0	0.9
Total asset T.O (x)	0.6	0.5	0.5	0.5	0.5
Int. covge. ratio (x)	5.8	5.5	5.4	5.5	6.1
Adj. debt/equity (x)	0.4	0.4	0.4	0.4	0.3
Valuation					
EV/Sales (x)	2.2	2.6	2.2	2.4	2.3
EV/EBITDA (x)	12.8	13.4	11.8	12.8	11.6
P/E (x)	23.6	28.9	24.8	25.2	21.8
P/BV (x)	2.2	2.5	2.0	2.2	2.0



Recommendation Summary - (Last 3 years)



Dates	Rating	Target
02-May-24	BUY	1,654
30-Jul-24	BUY	1,687
23-Oct-24	BUY	1,536
14-Nov-24	BUY	1,516
13-May-25	HOLD	1,568
30-Oct-25	BUY	1,679

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
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