BUY Reliance Industries

Robust O2C performance offsets retail drag

Oil & Gas ▸ Result Update ▸ **July 20, 2026**

CMP (Rs): 1,327 | TP (Rs): 1,680

RIL's 1QFY27 consol EBITDA/PAT at Rs475/209bn beat our estimates by 6%/19%, up 8%/23% qoq – driven by better than expected O2C and upstream earnings and partly offset by weaker Retail. O2C benefited from elevated fuel cracks and downstream deltas, though gains were partly offset by ME conflict-led dislocations, SAED, and shutdowns. Retail revenue grew 12% yoy (ex-FMCG spin-off impact; vs 17% estimate), while EBITDA missed by 10% as margins contracted on continued scale-up of hyperlocal delivery business. However, the mgmt reiterated its target of doubling EBITDA by FY29. Despite slightly lower-than-expected subscriber adds and ARPU, Jio saw margin expansion, supported by operating leverage. Reported net debt was down 1% qoq at Rs1.23trn, while 1Q capex stood at Rs387bn (up 29% yoy/down 5% qoq). The mgmt is constructive on O2C. We retain FY28E/29E EPS while raising FY27E EPS by 2% on stronger O2C earnings, partly offset by weaker Retail. We raise our capex estimate. We rollover to Jun-28E earnings; retain BUY/TP of Rs1,680.

Results Highlights

i) O2C improved qoq, on higher fuel cracks/petchem deltas, though partially offset by ME conflict-led dislocations and SAED levy. O2C feedstock/sales were 18.1mmt/15.6mmt, down 7%/9% qoq; however, EBITDA/mt rose 22% qoq to $99. ii) Upstream EBITDA rose 19% qoq to Rs49.7bn (25% beat), mainly backed by higher CBM volume/realization, higher crude realization, and lower opex. KG Basin's gas volume fell 2% qoq to 24.8mmscmd. iii) Jio added 8.9mn net subscribers, while ARPU was Rs215.6 (up 1% qoq). JPL's consol EBITDA rose 6% qoq to Rs212.6bn, as operating leverage played out with EBITDAM expanding by 40bps qoq. Net access charges fell 8% qoq to Rs6.8bn, while network opex rose 2% to Rs88.0bn. iv) Retail EBITDA at Rs63.1bn fell 1% yoy (10% miss), as EBITDA margin fell 80bps, due to increasing contribution of hyper-local delivery business and associated costs. Net store addition was muted at 9 stores, with retail area stable qoq at 78.4msf. RIL's other income rose 6% yoy to Rs65.5bn (36% beat), while finance costs rose 18% yoy, on higher liability balances and 5G asset capitalization.

Management KTAs

RIL targets doubling Retail EBITDA in 3Y, focusing on scaling online business in FY27 and driving profitability in FY28-29. RCPL's gross revenue grew 2.1x yoy, while seeing EBITDA breakeven. Refining margin is expected to remain constructive in the near term, on lower global refinery operating rates and tight product balances; but incremental Asian cracker capacity adds may weigh on petchem deltas. In Jio, 4-5% ARPU growth may continue on mix change even without tariff hike. RIL commissioned solar cell production.

Valuation

Basis SOTP method, we value RIL's core segments on Jun-28E EV/EBITDA and New Energy/Other segments on EV-IC/EV-EBITDA. We lower our target multiple for O2C and other segments. Key risks: Adverse commodity/currency movement, competition, delay in monetization of ventures, and policy risks.

Target Price – 12M	Jun-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	26.6

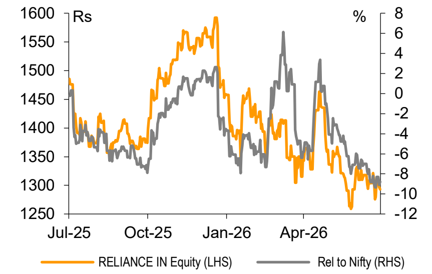
Stock Data	RELIANCE IN
52-week High (Rs)	1,612
52-week Low (Rs)	1,253
Shares outstanding (mn)	13,532.5
Market-cap (Rs bn)	17,961
Market-cap (USD mn)	186,546
Net-debt, FY27E (Rs mn)	789,095.3
ADTV-3M (mn shares)	18.1
ADTV-3M (Rs mn)	24,803.9
ADTV-3M (USD mn)	257.6
Free float (%)	50.0
Nifty-50	24,334.3
INR/USD	96.3

Shareholding,Mar-26	
Promoters (%)	49.1
FPIs/MFs (%)	18.3/20.2

Price Performance

(%)	1M	3M	12M
Absolute	(0.4)	(2.8)	(10.1)
Rel. to Nifty	(1.4)	(2.7)	(7.2)

1-Year share price trend (Rs)



Reliance Industries: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	9,646,930	10,572,190	13,526,901	13,999,546	15,026,354
EBITDA	1,654,440	1,789,490	1,992,001	2,186,946	2,461,393
Adj. PAT	696,480	738,473	820,036	894,496	1,035,291
Adj. EPS (Rs)	51.5	54.6	60.5	66.0	76.3
EBITDA margin (%)	17.1	16.9	14.7	15.6	16.4
EBITDA growth (%)	2.0	8.2	11.3	9.8	12.5
Adj. EPS growth (%)	0.0	6.0	10.9	9.0	15.6
RoE (%)	8.5	9.2	8.7	8.8	9.4
RoIC (%)	10.3	9.5	9.8	10.4	11.4
P/E (x)	25.8	24.3	21.9	20.1	17.4
EV/EBITDA (x)	11.6	10.8	9.4	8.4	7.1
P/B (x)	2.1	2.0	1.8	1.7	1.6
FCFF yield (%)	2.1	3.6	3.9	3.6	6.8

Source: Company, Emkay Research

Sabri Hazarika
sabri.hazarika@emkayglobal.com
+91-22-66121282

Devanshu Bansal
devanshu.bansal@emkayglobal.com
+91-22-66121385

Pranav Kshatriya
pranav.kshatriya@emkayglobal.com
+91-22-66121350

Arya Patel
arya.patel@emkayglobal.com
+91-22-66121285

Exhibit 1: Actuals vs estimates (1QFY27)

Consolidated (Rs bn)	Actual	Estimates	Consensus Estimates	Variation		Comments
		(Emkay)	(Bloomberg)	Emkay	Consensus	
Total Revenue	3,095	3,384	3,010	-9%	3%	
EBITDA	475	450	464	6%	2%	Better O2C, upstream, and Jio; partly offset by weaker retail and others
EBITDA Margin (%)	*15.4%*	*13.3%*	*15.4%*	*205bps*	*-5bps*	
Adj Net Profit (after MI)	209	176	191	19%	9%	Higher other income and lower D/A; partly offset by higher finance costs

Source: Company, Emkay Research

Exhibit 2: Detailed actuals vs estimates (1QFY27)

(Rs bn)	1QFY27E	1QFY27A	Deviation
Consol EBITDA	450	475	**25**
O2C	148	170	22
Upstream	40	50	10
Retail	70	63	-7
Jio	208	213	5
Others	-15	-20	-6
D/A	153	151	-2
Interest	66	83	18
Other Income	48	66	18
Tax	69	76	8
Minority Interest & JV	-37	-23	14
APAT	**175**	**208**	**33**

Source: Company, Emkay Research

Exhibit 3: Quarterly highlights (Consolidated)

(Rs bn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy	qoq	FY25	FY26	yoy
Revenue	2,436	2,546	2,649	2,941	3,095	27%	5%	9,647	10,572	10%
Expenditure	2,007	2,087	2,189	2,499	2,620	31%	5%	7,992	8,783	10%
EBITDA	**429**	**459**	**460**	**441**	**475**	**11%**	**8%**	**1,654**	**1,789**	**8%**
Depreciation	138	144	146	148	151	9%	2%	531	577	9%
Interest	70	68	66	66	83	18%	27%	243	271	12%
Other Income	62	45	49	44	66	6%	47%	180	200	11%
Exceptionals	89	0	0	0	0			0	89	
PBT	371	291	297	272	306	-18%	13%	1,060	1,232	16%
Tax	65	70	75	66	76	18%	16%	252	276	9%
PAT	307	221	222	206	230	-25%	12%	808	956	18%
Minority interest/Associates	-37	-40	-35	-36	-21			-111	-148	
Group Reported PAT	**270**	**182**	**186**	**170**	**209**	**-22%**	**23%**	**696**	**808**	**16%**
Group Adjusted PAT	181	182	186	170	209	16%	23%	696	719	3%
Adjusted EPS (Rs)	13.4	13.4	13.8	12.5	15.5	16%	23%	51.5	53.1	3%
EBITDA Margin	**18%**	**18%**	**17%**	**15%**	**15%**			**17%**	**17%**	
Tax Rate	17%	24%	25%	24%	25%			24%	22%	
Gross Debt	3,384	3,482	3,469	3,744	3,697	9%	-1%	3,475	3,744	8%
Cash and cash Equivalent	2,209	2,297	2,298	2,497	2,468	12%	-1%	2,304	2,497	8%
Net Debt	**1,176**	**1,185**	**1,171**	**1,247**	**1,229**	**5%**	**-1%**	**1,171**	**1,247**	7%
Capex	299	400	338	406	387	29%	-5%	1,311	1,443	10%
Upstream EBITDA	**50.0**	**50.0**	**48.6**	**42.0**	**49.7**	**0%**	**19%**	**212**	**191**	**-10%**
KG-D6 Gas Output (mmscmd)	26.6	26.1	25.6	25.2	24.8	-7%	-2%	28.0	25.9	-8%
Retail Revenue	842	905	979	985	904	7%	-8%	3,309	3,711	12%
Retail Reported EBITDA	**64**	**68**	**69**	**69**	**63**	**-1%**	**-9%**	**251**	**270**	**8%**
Retail EBITDA Margin	7.6%	7.5%	7.1%	7.0%	7.0%			7.6%	7.3%	
Jio Revenue (incl Digital)	309	319	328	334	342	11%	2%	1,141	1,289	13%
Jio Reported EBITDA	**183**	**189**	**193**	**200**	**213**	**16%**	**6%**	**650**	**766**	**18%**
Jio EBITDA Margin	59%	59%	59%	60%	62%			56.9%	59.4%	
Jio ARPU (Rs)	209	211	214	214	216	3%	1%	197	212	8%
Jio Subs (mn)	498	506	515	524	533	7%	2%	488	524	7%

Source: Company, Emkay Research; Note: i) Some numbers may not fully match those in the annual tables due to different adjustment methods in Emkay's detailed annual model and averaging discrepancies

Exhibit 4: O2C – Earnings, volumes, and margins

(Rs bn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy	qoq	FY25	FY26	yoy
Throughput – Feedstock (mmt)	**19.1**	**20.8**	**20.6**	**19.5**	**18.1**	**-5%**	**-7%**	**80.5**	**80.0**	**-1%**
Production For Sale (mmt)	17.3	18.1	18.2	17.2	15.6	-10%	-9%	68.4	70.8	4%
Transport Fuels	11.4	12.1	12.2	11.1	9.6	-16%	-14%	46.7	46.8	0%
Polymers	1.5	1.6	1.6	1.4	1.4	-7%	0%	5.9	6.1	3%
Fibre Intermediaries and Polyesters	1.4	1.5	1.3	1.6	2.0	43%	25%	3.1	5.8	87%
Chemicals & Others	3.0	2.9	3.1	3.1	2.6	-13%	-16%	12.7	12.1	-5%
Revenue	1,548	1,606	1,621	1,849	2,018	30%	9%	6,269	6,624	6%
Expenditure	1,403	1,456	1,456	1,704	1,848	32%	8%	5,719	6,019	5%
EBITDA	**145**	**150**	**165**	**145**	**170**	**17%**	**17%**	**550**	**605**	**10%**
D&A	20	24	26	28	28	43%	3%	77	98	27%
EBIT	125	126	139	118	142	13%	21%	473	508	7%
EBITDA/mt ($)	**89**	**83**	**90**	**81**	**99**	**12%**	**22%**	**81**	**86**	**6%**

Source: Company, Emkay Research

Reliance Jio – In-line results with high 5G asset capitalization shrinking PAT margins

Reliance Jio (RJio) reported in-line topline growth (2.5% qoq/10.8% yoy) and ARPU (Rs215.6, 0.7% qoq), along with subscriber addition cadence maintained at 8.6mn total subscriber additions. Operating leverage played out, with EBITDAM expanding by 40bps on account of slower growth in operational expenditure. However, this margin expansion was negated by higher finance costs (32.2% qoq) and D&A expense (4.4% qoq), attributed to 5G asset capitalization. Rise by 33.9% qoq in other income protected PAT margin (20.9%) to some extent – PAT margin fell by 100bps qoq. We view the telecom business as a cash cow, with 55.3%/56.9% EBITDA margin in FY27E/FY28E, respectively, high operating leverage, and declining capex supporting FCF generation. The company is gearing up for the IPO, with the DRHP already filed. The tariff hike, initially anticipated in Dec-25, has been pushed forward by the consensus to 2QFY27. The management commented earlier that 4-5% yoy ARPU growth can continue due to organic subscriber mix change, even without a tariff hike. We build in 15.3% yoy revenue growth for FY27E, led by tariff hike in 2QFY27. This will lead to operating leverage and margin expansion of ~110bps in FY27E.

Reliance Jio – 1QFY27 results update

Revenue growth in line with expected subscriber additions and ARPU growth

RJio’s revenue from operations grew 2.5%/10.8% qoq/yoy to Rs342.1bn, driven by 8.9mn qoq subscriber additions and 0.7%/3.3% qoq/yoy ARPU improvement. RJio’s total subscriber base now stands at 533.3mn. Also, RJio added 1.5mn home broadband connections, taking the total to 28.6mn. 1QFY27 ARPU screened at Rs215.6.

Operating leverage at EBITDA level, negated by 5G asset capitalization costs at PAT level

EBITDA grew 3.3%/12.1 qoq/yoy to Rs187.1bn. EBITDA margin screened at 54.7%, improving by 40bps on account of operating leverage across the operating cost stack. Total operating expenditure for the quarter increased 1.5% qoq to Rs155bn. Network operating costs increased 2.1% qoq to Rs88bn, down by 10bps qoq as a percentage of sales, thereby supporting margins. License fees increased 2.8% qoq to Rs31.1bn, flat qoq as a percentage of sales. The rest of the operational cost stack (employee costs, access charges, selling and distribution expenses, and other expenses) decreased 0.8% qoq to Rs36bn, shrinking as a percentage of sales by 35bps qoq. EBITDA growth was offset by higher finance costs due to 5G asset capitalization. Finance costs screened at Rs29.6bn, coming in at 32.2%/42.1% qoq/yoy, expanding by 195bps as a percentage of sales sequentially. D&A expenses were Rs70bn, at 4.4%/12.8% qoq/yoy, expanding by 40bps as a percentage of revenue. PAT screened at Rs71.7bn, -2.1%/6.8% qoq/yoy. PAT margin shrank by 100bps sequentially on account of costs below the EBITDA line.

JPL’s ex-Jio revenue was flat after sharp improvement in 4QFY26

JPL’s ex-Jio revenue was up 1.7%/19.5% qoq/yoy to Rs49.6bn. EBITDA declined 1.1% qoq (53% yoy, on account of sharp EBITDAM expansion of 6.6pp seen in 4QFY26) to Rs12.8bn. EBITDA margin declined by 70bps qoq to 25.7%. JPL’s revenue growth was driven by strong traction in the enterprise segment, seeing high customer traction in the ’Managed services + connectivity’ offerings.

JPL’s engagement metrics industry-leading

Total data consumption was up 5.2%/26.9% qoq/yoy to 69.4bn GB. Data consumption per capita rose to 43.7GB/month, up 3.4%/18.3% qoq/yoy (vs Bharti Airtel’s India Mobile data usage per customer of 31.4GB per month in 4QFY26). Monthly churn was contained at 1.6% vs 1.7% in 4QFY26 (vs Bharti Airtel’s India Mobile monthly churn of 1.9% in 4QFY26). 65% of the industry's incremental home broadband additions in the last twelve months have been driven by RJio. 75% of the incremental broadband additions have been driven by Airfiber, which continues to be the world’s largest FWA service. 5G adoption crossed 285mn users (17mn addition, from 268mn), underpinning revenue growth. 5G now accounts for ~57% of total mobility customers. RJio had reported in 4QFY26 that 5G accounted for ~55% of the total wireless traffic while for the industry, 5G accounted for 42.7% of the total wireless traffic.

Key takeaways from the analyst meet

- Mobility: Add consumers and extend market leadership
  - 5G standalone architecture gives higher-quality 5G experience which helps acquire higher number of customers
  - The company is becoming an entry-point for various digital services, such as OTT, Gaming, AI, Compute, cloud gaming, and storage. This is helping better monetize customers and is also a moat for customer retention
  - The company is working with OEM partners for migrating customers from 2G to 4G/5G
- Home: Transforming Connectivity and Digital Services
  - STB as a Gateway for immersive entertainment experience with >5hours of average daily usage
  - JioPC is delivering affordable and secure computing
  - Over 65% share in incremental net additions in the last 12 months
  - Bundled services with attractive entry point and unlocking of latent demand
- Enterprise: Moving to the outcome-led Managed Services stack
  - Offerings are outcome-led, not service-led
  - Comprehensive bundle per customer requirement
  - Managed Services, specially Managed Wi-Fi, seeing good pick-up

Exhibit 5: Jio – Quarterly financials

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	qoq (%)	yoy (%)
Net Sales	**308,820**	**318,570**	**327,510**	**333,810**	**342,120**	2.5	10.8
Access charge	3,850	6,520	7,270	7,390	6,830	(7.6)	77.4
as % of sales	1.2	2.0	2.2	2.2	2.0	(9.8)	60.1
Network Operating	84,520	84,430	85,550	86,200	87,990	2.1	4.1
as % of sales	27.4	26.5	26.1	25.8	25.7	(0.4)	(6.0)
Employee Expenses	4,970	4,750	5,180	5,310	5,200	(2.1)	4.6
as % of sales	1.6	1.5	1.6	1.6	1.5	(4.5)	(5.6)
Marketing Expenses	20,380	20,960	22,590	23,560	23,950	1.7	17.5
as % of sales	6.6	6.6	6.9	7.1	7.0	(0.8)	6.1
License Fee	28,200	29,160	29,480	30,220	31,060	2.8	10.1
as % of sales	9.1	9.2	9.0	9.1	9.1	0.3	(0.6)
Total operating expenditure	**141,920**	**145,820**	**150,070**	**152,680**	**155,030**	**1.5**	**9.2**
EBITDA	**166,900**	**172,750**	**177,440**	**181,130**	**187,090**	**3.3**	**12.1**
Depreciation	62,040	63,910	66,520	67,060	69,990	4.4	12.8
EBIT	**104,860**	**108,840**	**110,920**	**114,070**	**117,100**	**2.7**	**11.7**
Other Income	6,110	5,990	6,640	6,580	8,810	33.9	44.2
Interest	20,810	21,180	21,220	22,380	29,580	32.2	42.1
Exceptional Item	0	0	0	0	0		
PBT	**90,160**	**93,650**	**96,340**	**98,270**	**96,330**	**(2.0)**	**6.8**
Tax	23,050	23,930	24,610	25,100	24,660	(1.8)	7.0
PAT	**67,110**	**69,720**	**71,730**	**73,170**	**71,670**	**(2.1)**	**6.8**
(%)						**(bps)**	**(bps)**
EBITDAM	**54.0**	**54.2**	**54.2**	**54.3**	**54.7**	**42**	**64**
EBITM	34.0	34.2	33.9	34.2	34.2	6	27
EBTM	29.2	29.4	29.4	29.4	28.2	(128)	(104)
PATM	21.7	21.9	21.9	21.9	20.9	(97)	(78)
Effective Tax rate	25.6	25.6	25.5	25.5	25.6	6	3

Source: Company, Emkay Research

Exhibit 6: Jio Platforms (consolidated) – Quarterly financials

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	qoq chg	yoy chg
Revenue	350,320	363,320	372,620	382,590	391,730	2.4%	11.8%
EBITDA	181,350	187,570	193,030	200,600	208,650	4.0%	15.1%
EBITDA Margin	***51.8%***	***51.6%***	***51.8%***	***52.4%***	***53.3%***	***83 bps***	***150 bps***
PAT	71,100	73,790	76,290	79,350	77,640	-2.2%	9.2%

Source: Company, Emkay Research

Exhibit 7: Jio Platforms (ex-Jio) – Quarterly financials

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	qoq chg	yoy chg
Revenue	41,500	44,750	45,110	48,780	49,610	1.7%	19.5%
EBITDA	8,340	8,830	8,950	12,890	12,750	-1.1%	52.9%
EBITDA Margin	**20.1%**	**19.7%**	**19.8%**	**26.4%**	**25.7%**	***-72 bps***	***560 bps***
PAT	3,990	4,070	4,560	6,180	5,970	-3.4%	49.6%

Source: Company, Emkay Research

Exhibit 8: Jio's KPIs

	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	qoq (%)	yoy (%)
ARPU (Rs)	**208.8**	**211.4**	**213.7**	**214.0**	**215.6**	0.7	3.3
Total Data consumption (bn GB)	54.7	58.4	62.3	66.0	69.4	5.2	26.9
Data Usage/per User (GB/month)	37.0	38.8	40.7	42.3	43.7	3.4	18.3

Source: Company, Emkay Research

Exhibit 9: Subscriber addition for Jio

Subscriber breakdown (mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	qoq chg	yoy chg
Wireless	478	483	490	497	505	1.5%	5.6%
Home broadband (estimated)	20.0	23.0	25.0	27.1	28.6	5.5%	43.0%
Total	**498**	**506**	**515**	**524**	**533**	**1.7**	**7.1**
Subscriber additions							
Wireless	7.3	5.3	6.9	7.0	7.4	5.7%	1.4%
Home broadband (estimated)	2.60	3.00	2.00	2.10	1.50	-28.6%	-42.3%
Total	**9.9**	**8.3**	**8.9**	**9.1**	**8.9**	**-2.2**	**-10.1**

Source: Company, Emkay Research

Reliance Retail – 1Q performance a tad weaker vs peers; retains outlook of 2x EBITDA by FY29

Reliance Retail – Revenue growth lower than peers; investment in hyper-local business to weigh on near-term margin; retains aspiration of doubling EBITDA by FY29: RIL reported ~8% yoy growth in reported net retail revenue (Rs797bn). Excluding the RCPL (consumer business) demerger impact, growth was higher at ~12% (gross basis). The growth is lower compared to other large corporates like DMART and TTAN, which reported 15% and 37% yoy revenue growth, respectively. Reported EBITDA saw ~1% yoy decline, as EBITDA margin dipped by 80bps owing to increasing contribution of the hyper-local delivery business and associated costs. Encouragingly, RIL has set a three-year target to double operating EBITDA (~26% CAGR), while focusing in FY27 on scaling up the online business and achieving sustainable unit economics and in FY28/29 on prioritizing translating the increased scale into improved profitability and value creation. 1Q net store addition was muted at 9 stores (vs 181 in 4Q), taking the total store-count to 20,169. Retail space was largely stable sequentially at 78.4mn sqft.

Within categories, LFL growth was healthy at 7% in Grocery (vs 5.5% for DMART), at 16% in consumer electronics (low base), and at 4% in the Fashion and Lifestyle segment, aiding a healthy double-digit growth across segments. Growth in the grocery segment was broad-based, led by the Staples, Dairy and Frozen, and Bakery segments. The company's priority is to improve availability, product freshness, fulfilment, and price trust, while protecting its gross margin. The consumer electronics segment delivered broad-based LFL growth of 16%, as strong brand partnerships ensured product availability despite global supply shortages. The company strengthened its omni-channel integration with all large-format stores now active on the Jio Mart network. The LFL growth in the Fashion/Lifestyle business was 4%, led by fresh merchandise and store refresh. 'Own brands' continues to witness strong traction with contribution up by ~380bps yoy, while digital commerce contribution to apparel and footwear revenue was up by 490bps yoy to 27.3%. Ajio Rush order growth was up 136% qoq, while Shein continued its growth momentum with app installs now >30mn.

Demerged entity RCPL continues strong growth; focuses on manufacturing expansion: RCPL's gross revenue grew 2.1x yoy in 1QFY27 to Rs86bn. Beverages led by Campa achieved sales of Rs29bn in 1Q (>50% of FY26 sales), growing 2.4x yoy and attaining double-digit market share across several states in India. The exponential growth has been driven by robust capacity addition and effective on-ground execution. Also, RCPL is expanding its beverage portfolio to international markets, with launches planned in Australia and African countries. The company continues to strengthen its manufacturing capabilities through the commissioning of multiple high-speed beverage lines, operationalization of an integrated manufacturing facility at Kurnool (Andhra Pradesh), and an edible oil refinery in West Bengal. Overall, it has plans to reach a scale of Rs1.0trn for RCPL by FY30 (~46% CAGR), with incremental growth investments of Rs300bn. RCPL also intensified its advertising investments during IPL 2026, achieving the highest share of voice on linear TV. The campaign reinforced Campa's brand recall and supported its rapid market expansion.

JioMart maintains growth momentum; RIL expects JioMart to be its principal growth driver for next 4 quarters: JioMart maintained its growth momentum, with average daily grocery orders up 116% yoy. Digital channel share contributed 13.4% of grocery B2C revenue (up by 610bps yoy). JioMart continues its strong expansion, now covering ~ 5,500 pin-codes, with >2,500 stores connected to two-hour delivery. JioMart's operating strategy is centered on improving repeat customer rates, increasing order density, ensuring reliable product availability, optimizing delivery costs, and expanding contribution margins, thereby prioritizing sustainable growth over order volumes alone. Investments would be focused on strengthening infrastructure in micro-markets where the company sees a clear path to achieve positive unit economics.

Earnings outlook: The 1Q EBITDA miss was largely owing to growth investments for the company's hyper-local delivery business and slower-than-expected network expansion. The near-term investments are expected to continue to scale up the hyper-local business, driving a slight cut of 1.5-2.5% to our topline assumptions and a 10-30bps cut to our EBITDA margin expectations. We remain positive and continue to like RIL's aggression toward addressing the overall India retail TAM, in terms of categories, channels, and consumer cohorts. We value RIL's Retail business at a blended multiple of 27x Jun-28E EBITDA, driving an EV of Rs8.1trn.

Exhibit 10: Reliance Retail – Quarterly financials

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy chg	qoq chg	FY26TD	FY27TD	yoy chg
Gross Revenue	841,710	900,180	976,050	982,320	904,080	7.4%	-8.0%	841,710	904,080	7.4%
Net Revenue	737,200	791,280	869,510	873,440	797,450	8.2%	-8.7%	737,200	797,450	8.2%
EBITDA	63,810	68,160	69,150	69,210	63,090	-1.1%	-8.8%	63,810	63,090	-1.1%
- margin	8.7%	8.6%	8.0%	7.9%	7.9%	-70	0	8.7%	7.9%	-70
EBIT	48,660	52,690	53,390	53,400	45,290	-6.9%	-15.2%	48,660	45,290	-6.9%
- margin	6.6%	6.7%	6.1%	6.1%	5.7%	-90	-40	6.6%	5.7%	-90
PAT	32,670	34,390	35,580	35,740	28,050	-14.1%	-21.5%	32,670	28,050	-14.1%
- margin	4.4%	4.3%	4.1%	4.1%	3.5%	-90	-50	4.4%	3.5%	-90

Source: Company, Emkay Research

Exhibit 11: Reliance Retail – Change in estimates

(Rs mn)	FY27E			FY28E			FY29E
	Previous	Actual	Variance	Previous	Revised	Variance	New
Revenue (net)	3,915,469	3,815,258	-2.6%	4,465,649	4,394,891	-1.6%	4,987,012
EBITDA	313,980	294,215	-6.3%	364,671	352,688	-3.3%	416,649
- margin	8.0%	7.7%	-30	8.2%	8.0%	-10	8.4%
Core retail EBITDA	276,078	256,963	-6.9%	322,422	311,168	-3.5%	370,673
- margin	10.2%	9.6%	-50	10.3%	10.0%	-30	10.4%

Source: Company, Emkay Research

Energy business takeaways

O2C

The O2C segment delivered strong earnings growth driven by a sharp uptick in transportation fuel cracks and downstream chemical deltas. Fuel cracks increased 2.5-4.5x yoy, while PE and polyester chain deltas improved 46% and 17%, respectively, aided by supply disruptions and elevated crude prices amid the Middle East conflict. The company continued to benefit from favorable ethane cracking economics over naphtha, while diversified crude sourcing with higher imports from Russia and Latin America reduced dependence on AG crudes. Product markets remained tight, as ~3mbpd of refining capacity and ~30mmtpa of ethylene capacity in the Middle East were impacted, while Asian refiners reduced operating rates amid feedstock shortages, resulting in global refinery utilization declining to 75.4%. RIL maximized netbacks by redirecting cargos to deficit markets, such as Singapore, Australia, and East & South Africa. However, earnings were partly offset by higher crude premiums, sharply elevated freight (10x jump) and insurance costs, SAED levy, under-recoveries in domestic fuel retailing, LPG diversion (4x increase in LPG yield), and 10% lower sales volumes due to the planned turnaround of the CDU and Coker units. Crude prices rose 54% yoy to $104.5/bbl amid significant supply disruptions (~12mbpd), though prices moderated toward quarter-end, following the easing of geopolitical tensions. Operationally, the company minimized fuel costs through high gasifier availability, economical CTU power purchases, and liquid fuel optimization. Refining margins are expected to remain supportive in the near term due to depleted global product inventories, strong summer demand, and tight refining balances as ~40% of Russia's refining capacity is offline owing to continued attacks, with the Russian government banning product exports. In petchem, textile and polyester exports are expected to benefit from India's FTAs with key countries, while limited polyester capacity additions could support recovery in the chain. However, petchem margins are expected to remain under pressure due to the addition of new Asian cracker capacities. The company continues to leverage favorable ethane economics and intends adding three new VLECs over coming quarters, to strengthen feedstock competitiveness. O2C's performance is expected to improve sequentially.

Upstream

Upstream earnings were supported by higher realizations on KG-D6 liquids, stronger CBM volumes and prices, and favorable exchange-rate movements, which offset weaker KG-D6 gas volumes and lower gas price realizations. EBITDA improved sequentially with the completion of maintenance activities undertaken in 4QFY26, while the CBM Phase-II multilateral drilling campaign progressed well, with 31 of the 40 wells completed and 29 wells already put on production. The GoI withdrew the Natural Gas (Supply Regulation) Order in Jul-26, ending the emergency gas allocation prioritization and pooling mechanism introduced in Mar-26; this should improve operating flexibility for the KG-D6 portfolio. LNG prices are expected to remain volatile, due to uncertainty around flows through the Strait of Hormuz, supporting a constructive medium-term outlook for domestic gas realizations.

Exhibit 12: Change in O&G assumptions and estimates

	FY27E			FY28E			FY29E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Average GRM ($/bbl)	9.0	10.4	15%	9.2	9.7	5%	9.5	9.8	3%
Petchem EBITDA/mt ($)	142	141	-1%	134	134	0%	146	136	-7%
KG Gas Volumes (mmscmd)	*24*	24	0%	*22*	*22*	0%	*21*	*21*	0%
Gas Price ($/mmbtu)	10.5	10.4	-1%	10.5	10.4	-1%	10.5	10.4	-1%
O2C EBITDA (Rs bn)	617	676	10%	642	663	3%	728	719	-1%
Upstream EBITDA (Rs bn)	160	158	-1%	145	143	-1%	131	130	-1%

Source: Company, Emkay Research

Given the improved global refining outlook, we raise FY27-29E GRM assumption.

New Energy

The new energy giga-factory ecosystem is on schedule, with the company commencing solar cell production while manufacturing ~1GWp of HJT modules with ALMM certification secured. The management reiterated its roadmap to scale the fully integrated solar PV manufacturing ecosystem to 20GWp, while battery manufacturing capacity is targeted to reach 120GWh, with the first 40GWh battery manufacturing facility expected to be commissioned during FY27. The company also continues to make steady progress on the Kutch renewable energy project, and plans to commence large-scale installations post the monsoon, with the associated transmission infrastructure already in place. The management is targeting execution scale-up to ~55MWp of solar capacity and ~150MWh of battery installations per day by next year. Beyond Kutch, RIL is evaluating and developing renewable generation assets across multiple locations to cater to captive and C&I demand, while continuing to make progress in securing strategic partnerships for its green fuels business.

Exhibit 13: Change in our estimates for consol RIL

Consolidated (Rs bn)	FY27E			FY28E			FY29E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	13,708	13,527	-1%	14,063	14,000	0%	14,644	15,026	3%
EBITDA	1,947	1,992	2%	2,159	2,187	1%	2,403	2,461	2%
EBITDA Margins	*14.2%*	*14.7%*	*52bps*	*15.4%*	*15.6%*	*27bps*	*16.4%*	*16.4%*	*-3bps*
APAT	801	820	2%	896	894	0%	1,037	1,035	0%
EPS (Rs)	59.2	60.5	2%	66.1	66.0	0%	76.4	76.3	0%

Source: Company, Emkay Research

We raise our FY27 consolidated EPS estimate by 2%, driven by stronger O2C earnings, partly offset by some cuts in retail estimates, factoring in the continued scale-up of the hyper-local delivery business. Our FY28/FY29 EPS estimates remain largely unchanged.

Valuation

Exhibit 14: SOTP-based valuation – Jun-27E

Jun-28E, Consol (Rs bn)	Method	Head	Multiple (x)	EV	EV/sh (Rs)
Oil to Chemicals (O2C)	EV/EBITDA	677	7.0	4,739	350
Upstream Oil & Gas	EV/EBITDA	140	6.0	835	62
Organised Retail (84%)	EV/EBITDA	300	27.0	8,093	598
Telecom (Jio) - 66%	EV/EBITDA	672	12.0	8,061	596
Others	EV/EBITDA	69	13.5	933	69
New Energy	EV/IC	750	2.0	1,500	111
Total		**1,857**	**13.0**	**24,161**	**1,785**
Adj Net Debt (Jun-27E end)				1,424	105
Equity Value				**22,737**	**1,680**
Shares O/S (bn)					13.5

Source: Company, Emkay Research

Exhibit 15: PER-based valuation (on Jun-28E EPS)

Consolidated (Rs)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
RIL's adjusted EPS (Rs)	46.5	51.4	51.5	54.6	60.5	66.0	76.3
Target Multiple (x)							**24.5**
SOTP-based Target Price (Rs)							**1,680**

Source: Company, Emkay Research

Reliance Industries: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**9,646,930**	**10,572,190**	**13,526,901**	**13,999,546**	**15,026,354**
Revenue growth (%)	7.1	9.6	27.9	3.5	7.3
EBITDA	**1,654,440**	**1,789,490**	**1,992,001**	**2,186,946**	**2,461,393**
EBITDA growth (%)	2.0	8.2	11.3	9.8	12.5
Depreciation & Amortization	531,360	576,880	625,329	682,675	727,189
EBIT	**1,123,080**	**1,212,610**	**1,366,672**	**1,504,271**	**1,734,205**
EBIT growth (%)	0.8	8.0	12.7	10.1	15.3
Other operating income	0	0	0	0	0
Other income	179,780	200,380	202,153	215,495	237,255
Financial expense	242,690	270,610	278,454	295,221	299,821
PBT	**1,060,170**	**1,142,380**	**1,290,372**	**1,424,545**	**1,671,638**
Extraordinary items	0	89,240	0	0	0
Taxes	252,300	275,520	322,593	341,891	409,551
Minority interest	(116,610)	(149,790)	(147,743)	(188,159)	(226,796)
Income from JV/Associates	5,220	1,440	0	0	0
Reported PAT	**696,480**	**807,750**	**820,036**	**894,496**	**1,035,291**
PAT growth (%)	-	16.0	1.5	9.1	15.7
Adjusted PAT	**696,480**	**738,473**	**820,036**	**894,496**	**1,035,291**
Diluted EPS (Rs)	**51.5**	**54.6**	**60.5**	**66.0**	**76.3**
Diluted EPS growth (%)	-	6.0	10.9	9.0	15.6
DPS (Rs)	**5.5**	**6.0**	**6.7**	**7.9**	**9.9**
Dividend payout (%)	**10.7**	**10.0**	**11.0**	**12.0**	**13.0**
EBITDA margin (%)	17.1	16.9	14.7	15.6	16.4
EBIT margin (%)	11.6	11.5	10.1	10.7	11.5
Effective tax rate (%)	23.8	24.1	25.0	24.0	24.5
NOPLAT (pre-IndAS)	**855,809**	**920,152**	**1,025,004**	**1,143,246**	**1,309,325**
Shares outstanding (mn)	13,532	13,532	13,546	13,559	13,573

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	135,320	135,320	135,455	135,591	135,726
Reserves & Surplus	8,296,680	8,904,980	9,634,812	10,421,968	11,322,671
Net worth	**8,432,000**	**9,040,300**	**9,770,267**	**10,557,559**	**11,458,398**
Minority interests	1,664,260	1,818,360	1,966,103	2,154,262	2,381,058
Non-current liab. & prov.	830,450	973,670	1,134,014	1,278,324	1,408,202
Total debt	**3,475,300**	**3,744,210**	**3,544,210**	**3,344,210**	**3,144,210**
Total liabilities & equity	**15,832,060**	**17,255,500**	**18,087,013**	**19,000,505**	**20,052,030**
Net tangible fixed assets	8,159,510	9,374,210	10,201,888	10,831,982	11,117,323
Net intangible assets	1,589,120	1,589,120	1,589,120	1,589,120	1,589,120
Net ROU assets	-	-	-	-	-
Capital WIP	2,623,580	2,376,860	2,400,629	2,424,635	2,448,881
Goodwill	245,300	284,620	284,620	284,620	284,620
Investments [JV/Associates]	1,236,720	1,509,010	1,524,100	1,539,341	1,554,735
Cash & equivalents	**2,252,110**	**2,434,080**	**2,755,115**	**2,980,841**	**3,735,070**
Current assets (ex-cash)	2,740,590	3,508,410	4,488,939	4,645,787	4,986,536
Current Liab. & Prov.	3,665,070	4,519,960	5,878,966	6,026,433	6,406,976
NWC (ex-cash)	**(924,480)**	**(1,011,550)**	**(1,390,028)**	**(1,380,646)**	**(1,420,440)**
Total assets	**15,832,060**	**17,255,500**	**18,087,013**	**19,000,505**	**20,052,030**
Net debt	1,223,190	1,310,130	789,095	363,369	(590,860)
Capital employed	15,832,060	17,255,500	18,087,013	19,000,505	20,052,030
Invested capital	**9,069,450**	**10,236,400**	**10,685,601**	**11,325,076**	**11,570,623**
BVPS (Rs)	623.1	668.1	721.3	778.6	844.2
Net Debt/Equity (x)	0.1	0.1	0.1	-	(0.1)
Net Debt/EBITDA (x)	0.7	0.7	0.4	0.2	(0.2)
Interest coverage (x)	5.4	5.2	5.6	5.8	6.6
RoCE (%)	**10.0**	**10.0**	**10.5**	**11.0**	**11.9**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	885,610	943,440	1,088,219	1,209,050	1,434,384
Others (non-cash items)	9,380	101,310	-	0	0
Taxes paid	(119,250)	(96,080)	(162,249)	(197,581)	(279,673)
Change in NWC	237,240	124,970	376,146	2,001	48,454
Operating cash flow	**1,787,030**	**1,921,130**	**2,205,898**	**1,991,367**	**2,230,175**
Capital expenditure	(1,376,240)	(1,220,900)	(1,476,776)	(1,336,776)	(1,036,776)
Acquisition of business	0	0	(21,509)	(21,724)	(21,941)
Interest & dividend income	164,450	226,380	202,153	215,495	237,255
Investing cash flow	**(1,375,350)**	**(1,010,890)**	**(1,305,875)**	**(1,152,845)**	**(831,401)**
Equity raised/(repaid)	220	0	135	135	136
Debt raised/(repaid)	162,910	(36,890)	(220,210)	(220,210)	(220,210)
Payment of lease liabilities	-	-	-	-	-
Interest paid	(410,240)	(399,810)	(278,454)	(295,221)	(299,821)
Dividend paid (incl tax)	(71,800)	(78,790)	(90,204)	(107,339)	(134,588)
Others	0	0	0	0	0
Financing cash flow	**(318,910)**	**(515,490)**	**(588,732)**	**(622,635)**	**(654,483)**
Net chg in Cash	92,770	394,750	311,292	215,886	744,290
OCF	1,787,030	1,921,130	2,205,898	1,991,367	2,230,175
Adj. OCF (w/o NWC chg.)	1,549,790	1,796,160	1,829,752	1,989,365	2,181,721
FCFF	410,790	700,230	729,123	654,591	1,193,399
FCFE	332,550	656,000	652,823	574,865	1,130,833
OCF/EBITDA (%)	108.0	107.4	110.7	91.1	90.6
FCFE/PAT (%)	47.7	81.2	79.6	64.3	109.2
FCFF/NOPLAT (%)	**48.0**	**76.1**	**71.1**	**57.3**	**91.1**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	25.8	22.2	21.9	20.1	17.4
P/CE(x)	14.6	13.0	12.4	11.4	10.2
P/B (x)	2.1	2.0	1.8	1.7	1.6
EV/Sales (x)	2.0	1.8	1.4	1.3	1.2
EV/EBITDA (x)	11.6	10.8	9.4	8.4	7.1
EV/EBIT(x)	17.1	15.9	13.7	12.2	10.0
EV/IC (x)	2.1	1.9	1.8	1.6	1.5
FCFF yield (%)	2.1	3.6	3.9	3.6	6.8
FCFE yield (%)	1.9	3.7	3.6	3.2	6.3
Dividend yield (%)	0.4	0.4	0.5	0.6	0.7
DuPont-RoE split					
Net profit margin (%)	7.2	7.6	6.1	6.4	6.9
Total asset turnover (x)	0.6	0.6	0.8	0.8	0.8
Assets/Equity (x)	1.9	1.9	1.9	1.8	1.8
RoE (%)	**8.5**	**9.2**	**8.7**	**8.8**	**9.4**
DuPont-RoIC					
NOPLAT margin (%)	8.9	8.7	7.6	8.2	8.7
IC turnover (x)	1.2	1.1	1.3	1.3	1.3
RoIC (%)	**10.3**	**9.5**	**9.8**	**10.4**	**11.4**
Operating metrics					
Core NWC days	(35.0)	(34.9)	(37.5)	(36.0)	(34.5)
Total NWC days	**(35.0)**	**(34.9)**	**(37.5)**	**(36.0)**	**(34.5)**
Fixed asset turnover	0.8	0.7	0.8	0.8	0.8
Opex-to-revenue (%)	17.6	17.9	13.8	14.8	15.3

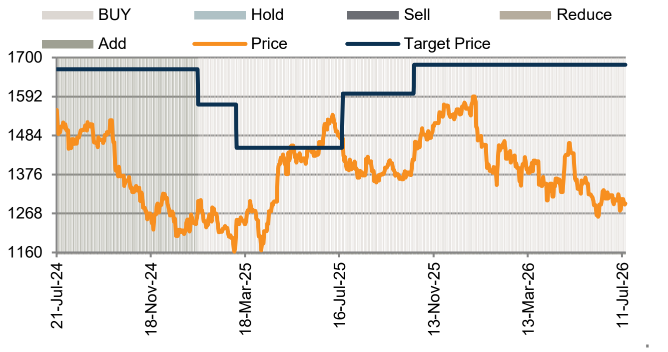
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
21-Jun-26	1,310	1,680	Buy	Sabri Hazarika
26-Apr-26	1,328	1,680	Buy	Sabri Hazarika
18-Jan-26	1,458	1,680	Buy	Sabri Hazarika
19-Oct-25	1,417	1,680	Buy	Sabri Hazarika
30-Jul-25	1,410	1,600	Buy	Sabri Hazarika
20-Jul-25	1,476	1,600	Buy	Sabri Hazarika
27-Apr-25	1,300	1,450	Buy	Sabri Hazarika
07-Mar-25	1,250	1,450	Buy	Sabri Hazarika
17-Jan-25	1,302	1,570	Buy	Sabri Hazarika
30-Aug-24	1,510	1,668	Add	Sabri Hazarika
21-Jul-24	1,555	1,668	Add	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

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