

Petronet LNG Limited

Sector: Oil, Gas & Consumable Fuels

16th December, 2025

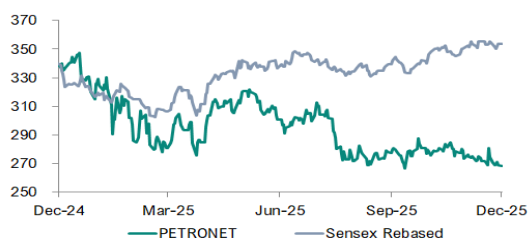
ACCUMULATE

Key Changes		Target	Rating	Earnings		Target	Rs. 305
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 269
Mid Cap	PLNG:IN	85,213	PETRONET	532522	12 Months	Return	+13%

Data as of: 15-Dec-2025, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	40,425		
52 Week High — Low (Rs.)	349 - 266		
Enterprise Value (Rs. cr)	32,435		
Outstanding Shares (cr)	150.0		
Free Float (%)	49.8		
Dividend Yield (%)	3.7		
6m average volume (cr)	0.2		
Beta	0.8		
Face value (Rs.)	10.0		
Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	50.0	50.0	50.0
FII's	28.8	29.0	28.0
MFs/Institutions	11.2	10.9	11.7
Public	9.3	9.4	9.6
Others	0.7	0.8	0.7
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-3.3%	-10.7%	-21.2%
Absolute Sensex	4.2%	5.0%	3.8%
Relative Return	-7.5%	-15.8%	-24.9%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY25A	FY26E	FY27E
Sales	50,982	48,943	55,305
Growth (%)	-3.3	-4.0	13.0
EBITDA	5,524	5,790	6,681
EBITDA Margin (%)	10.8	11.8	12.1
PAT Adjusted	3,973	3,980	4,446
Growth (%)	8.8	0.2	11.7
Adjusted EPS	26.5	26.5	29.6
Growth (%)	8.8	0.2	11.7
P/E	11.1	10.2	9.1
P/B	2.2	1.8	1.6
EV/EBITDA	6.7	5.6	4.7
ROE (%)	20.0	17.8	17.8
D/E	0.1	0.1	0.1

Capex providing growth visibility

Petronet LNG Limited supplies liquefied natural gas. The Company operates terminals and transports liquefied natural gas through pipelines, as well as Petronet LNG delivers its products in India.

- The company's consolidated revenue declined 15.5% YoY in Q2FY26, to Rs. 11,009cr, mainly because of lower volume processed and a delay in capacity expansion.
- The Dahej terminal processed 211 trillion british thermal units (TBTUs) compared to 225 TBTUs in Q2FY25. But capacity utilisation of the Kochi terminal rose 500bps YoY to 27.0%.
- The expansion project of Dahej terminal has faced delays due to factors such as monsoon and Operation Sindoor, leading to a shift in commissioning dates from March to October and now to March 2026.
- EBITDA fell 7.1% YoY to Rs. 1,117cr, mainly due to the decline in revenue. But EBITDA margin expanded 90bps YoY to 10.1%, led by a 17.4% YoY decrease in the cost of materials consumed. As a result, profit after tax fell 4.6% YoY to Rs. 830cr.

Outlook & Valuation

The management expects LNG demand to increase in India, on the back of a rise in the sourcing of natural gas across industries. Also, the expansion of the Dahej capacity is on track, with commissioning by March 2026, and discussions are underway with existing and new suppliers to secure additional volume. Kochi-Bengaluru pipeline connectivity is expected to be completed in FY26 as well, which should gradually improve utilisation levels. The company anticipates a significant acceleration in the execution of a petchem project in H2FY26 as well. Its Gopalpur terminal project is also progressing well, with land acquisition nearing completion; the management believes the facility will enhance LNG accessibility. Hence, **we upgrade our rating on the stock to ACCUMULATE, with a revised target price of Rs. 305, based on 10.3x FY27E adj. EPS.**

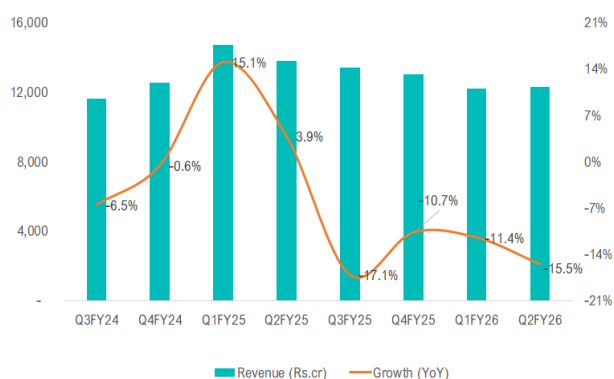
Quarterly Financials Consolidated

Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	11,009	13,024	-15.5	11,880	-7.3	22,889	26,439	-13.4
EBITDA	1,117	1,202	-7.1	1,159	-3.7	2,276	2,765	-17.7
Margin (%)	10.1	9.2	90bps	9.8	30bps	9.9	10.5	-60bps
EBIT	906	1,006	-10.0	952	-4.9	1,858	2,374	-21.7
PBT	1,107	1,164	-4.9	1,127	-1.8	2,234	2,648	-15.6
Rep. PAT	830	871	-4.6	842	-1.4	1,672	1,976	-15.4
Adj PAT	830	871	-4.6	842	-1.4	1,672	1,976	-15.4
Adj. EPS (Rs)	5.5	5.8	-4.6	5.6	-1.4	11.1	13.2	-15.4

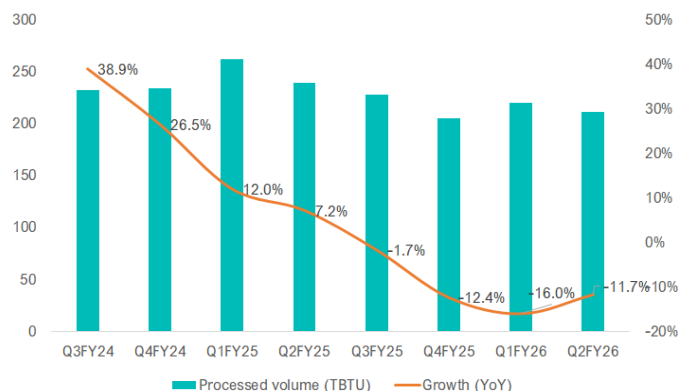
Key concall highlights

- The Dahej terminal expansion project is expected to add 5 (million metric tons per annum) MMTA by March 2026; Rs. 450cr has been incurred so far towards this.
- Capacity utilisation at the Kochi terminal was the highest-ever at 27%. Petronet expects utilisation at the terminal to increase further post completion of the Kochi-Bengaluru pipeline, which is expected before end-FY26.
- Petronet acquired land for the Gopalpur LNG terminal and resubmitted the environmental clearance application, as it switched to a land-based terminal from a floating terminal; it expects the clearance to be provided soon.
- The Qatar LNG contract, which ends in April 2028, is on a back-to-back basis, with the renewed contract starting immediately after, ensuring there is no gap in supply.
- There was an inventory gain of Rs. 41cr during the quarter; there were no trading gains.
- For FY26, the company has outlined capex of Rs. 5,000cr. Of this, Rs. 525cr was spent in H1FY26, with majority of the capex expected to be incurred in H2FY26, primarily towards the petrochemical plant, including the Gopalpur terminal. Notably, the cumulative capex for the petrochemical plant has surpassed Rs. 600cr.

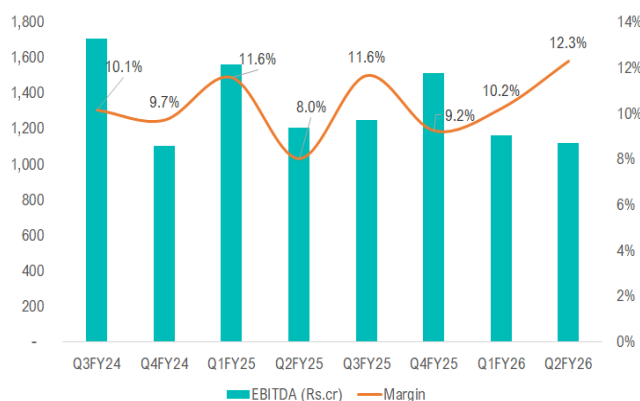
Revenue



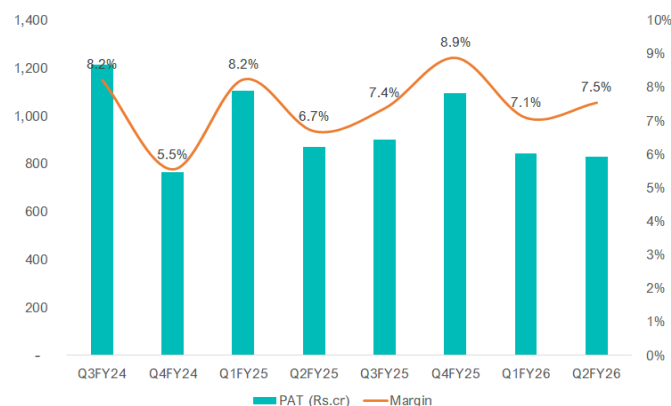
Processed Volume



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	53,174	57,428	48,943	55,305	-8.0	-3.7
EBITDA	5,865	6,593	5,790	6,681	-1.3	1.3
Margins (%)	11.0	11.5	11.8	12.1	80bps	60bps
Adj. PAT	4,136	4,465	3,980	4,446	-3.8	-0.4
EPS	27.6	29.8	26.5	29.6	-3.8	-0.4



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	59,899	52,729	50,982	48,943	55,305
% change	38.8	-12.0	-3.3	-4.0	13.0
EBITDA	4,854	5,205	5,524	5,790	6,681
% change	-7.5	7.2	6.1	4.8	15.4
Depreciation	764	777	806	816	948
EBIT	4,090	4,429	4,718	4,974	5,733
Interest	331	290	258	248	239
Other Income	661	734	862	580	434
PBT	4,420	4,873	5,322	5,306	5,928
% change	-3.1	10.2	9.2	-0.3	11.7
Tax	1,094	1,221	1,349	1,327	1,482
Tax Rate (%)	24.8	25.0	25.3	25.0	25.0
Reported PAT	3,326	3,652	3,973	3,980	4,446
Adjustment	-	-	-	-	-
Adj. PAT	3,326	3,652	3,973	3,980	4,446
% change	-3.3	9.8	8.8	0.2	11.7
No. of shares (cr)	150.0	150.0	150.0	150.0	150.0
Adj EPS (Rs.)	22.2	24.4	26.5	26.5	29.6
% change	-3.3	9.8	8.8	0.2	11.7
DPS (Rs.)	10.0	3.0	3.0	10.6	11.9

Cashflow

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	4,090	4,429	4,779	4,795	5,394
Non-cash adj.	133	-400	-588	571	444
Other adjustments	-	-	-	-	-
Changes in W.C	-1,705	842	207	35	68
C.F. Operation	2,519	4,871	4,398	5,401	5,906
Capital exp.	-1,058	-841	-1,457	-1,595	-1,803
Change in inv.	43	922	-1,002	-33	-70
Other invest.CF	-127	-1,138	-730	-871	-1,032
C.F - Investment	-1,142	-1,056	-3,189	-2,499	-2,905
Issue of equity	-	-	-	-	-
Issue/repay debt	-23	-	-	-15	-16
Dividends paid	-1,725	-1,500	-1,500	-1,592	-1,778
Other finance.CF	-620	-654	-652	-248	-239
C.F - Finance	-2,368	-2,154	-2,152	-1,855	-2,033
Chg. in cash	-991	1,661	-942	1,047	969
Closing Cash	5,686	7,414	9,104	10,152	11,120

Balance Sheet

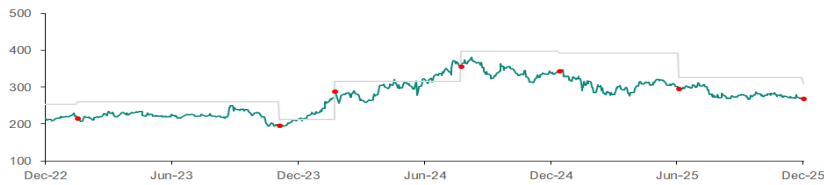
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	5,686	7,414	9,104	10,152	11,120
Accts. Receivable	3,844	3,626	3,267	3,098	3,318
Inventories	1,153	1,465	1,204	1,258	1,324
Other Cur. Assets	1,210	388	1,627	1,677	1,791
Investments	499	617	670	703	774
Gross Fixed As-sets	9,616	10,456	11,913	13,508	15,311
Net Fixed Assets	5,325	5,026	4,348	3,815	3,619
CWIP	1,126	1,126	2,768	4,081	5,132
Intangible Assets	3	2	7	6	6
Def. Tax -Net	212	145	114	-	-
Other Assets	3,741	5,713	4,187	5,297	6,516
Total Assets	22,798	25,523	27,297	30,087	33,600
Current Liabilities	2,946	4,158	4,060	4,341	5,081
Provisions	72	97	83	97	99
Debt Funds	3,070	2,596	2,176	2,161	2,146
Other Liabilities	1,445	1,261	1,099	1,182	1,261
Equity Capital	1,500	1,500	1,500	1,500	1,500
Res. & Surplus	13,765	15,910	18,378	20,806	23,514
Shareholder Funds	15,265	17,410	19,878	22,306	25,014
Minority Interest	-	-	-	-	-
Total Liabilities	22,798	25,523	27,297	30,087	33,600
BVPS	102	116	133	149	167

Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	8.1	9.9	10.8	11.8	12.1
EBIT margin (%)	6.8	8.4	9.3	10.2	10.4
Net profit mgn.(%)	5.6	6.9	7.8	8.1	8.0
ROE (%)	21.8	21.0	20.0	17.8	17.8
ROCE (%)	22.3	22.1	21.4	20.3	21.1
W.C & Liquidity					
Receivables (days)	23.1	24.8	23.1	22.8	21.6
Inventory (days)	7.7	11.4	9.8	10.8	10.1
Payables (days)	11.3	22.2	20.8	21.3	21.6
Current ratio (x)	4.0	3.1	3.7	3.7	3.5
Quick ratio (x)	3.5	2.7	3.3	3.3	3.1
Turnover & Leverage					
Gross asset T.O (x)	6.2	5.3	4.6	3.9	3.8
Total asset T.O (x)	2.7	2.2	1.9	1.7	1.7
Int. covge. ratio (x)	12.4	15.3	18.3	20.1	24.0
Adj. debt/equity (x)	0.2	0.1	0.1	0.1	0.1
Valuation					
EV/Sales (x)	0.5	0.7	0.7	0.7	0.6
EV/EBITDA (x)	6.4	6.7	6.7	5.6	4.7
P/E (x)	10.2	10.8	11.1	10.2	9.1
P/BV (x)	2.2	2.3	2.2	1.8	1.6



Recommendation Summary - (Last 3 years)



Dates	Rating	Target
15-Feb-22	BUY	254
30-Jan-23	BUY	260
17-Nov-23	HOLD	212
06-Feb-24	HOLD	316
06-Aug-24	ACCUMULATE	397
26-Dec-24	ACCUMULATE	393
17-Jun-25	HOLD	327
16-Dec-25	ACCUMULATE	305

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%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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