

Bharat Petroleum Corporation Limited

11.02.2019

HOLD

CMP – 333

Sensex – 36,395

Nifty -10,888

Stock details

Sector	Oil and Gas
Market Cap.(Rs Cr)	72,410
Beta	1.59
52 Week High/Low	494/239
Face Value (Rs)	10

Share holding pattern (%)

Promoters	53.93%
MF / Banks / DII	15.92%
FII	14.58%
Indian Public / Others	15.57%

Price Performance

	3M	6M	12M
Nifty	15.9%	-3.6%	4.7%
BPCL	4.4%	-11%	-28.9%



Results misses market estimates

Government of India controlled Maharatna Oil and Gas company, BPCL delivered weak quarterly performance in Q3. Revenue grew by 30% YOY for the quarter. Despite uptick in revenue, company's net profit fell by 77% to 495 crores on YOY basis. Despite the turbulent performance, with the fall in crude price we expect revival in profits and at the same time remain cautious about uncertainty in market conditions. We recommend to HOLD the stock

Result Update-Q3FY19

Performance of the business:

- EBITDA down by 77% YOY at 737 crores from 3,207 crores
- EBITDA margin fell marginally by 370 basis points to 0.8%.
- Gross Refining Margins for the quarter was 2.78\$ per barrel versus 7.89\$ per barrel (Q3FY18)
- Crude throughput was 7.49 MMT vs 7.27 MMT (Q3FY18)
- Domestic volume grew by 0.2% YOY from 10.65 MMT to 10.67 MMT
- Exports volume grew by 36% YOY from 0.58 MMT to 0.79 MMT

Products

- For the nine months ended 31st December 2018, Motor spirit sales grew by 5.90%, High speed diesel sales grew by 1.50%, LPG sales grew by 6.30% and aviation turbine fuel sales grew by 14.28%

Business Outlook

- The overall performance of company was weak this quarter and with volatile crude prices, upcoming elections we remain cautious on company's performance

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