

Bharat Petroleum Corporation Ltd.

13/08/2019

CMP	346.95
SENSEX	37,309.26
NIFTY	11,035
DECISION ON STOCK	HOLD

STOCK DETAILS	
Sector	Refinery/Petro product
Market cap. (Rs Cr)	75,262.22
Beta	1.56
52 Week High/Low	421.30/239
Face Value (Rs.)	10.00

SHAREHOLDING PATTERN (%)	
Promoters	53.29%
MF / Banks / DII	21.47%
FPI	15.30%
Public / Others	9.94%

PRICE PERFORMANCE			
	3M	6M	12M
NIFTY	-0.35%	2.03%	-2.80%
BPCL	-2.44%	3.85%	-13.73%



Result Highlights

BPCL, the second largest oil and gas company of India reported revenue growth of 6% YoY and stood at Rs. 76325.39 Cr. as compared to Rs. 71805.07 Cr. last year. However, the profitability of the company declined by 41% from Rs. 3075.06 Cr. in same quarter last year to Rs. 1799.59 Cr. In Q1FY20. Gross refining margin - what it earns for refining barrel of oil - rose slightly to \$2.81 per barrel. We recommend to **HOLD** this company.

Result Update – Q1FY20

Performance

- On QoQ basis net sales increased by 3% while on YoY basis it increased by 6%.
- The E&P of hydrocarbon business which accounts for 0.3% of company increased by 6% on QoQ basis and stood at Rs. 31.5 Cr as compared to Rs. 29.73 Cr in Q4FY19. It increased by 10% on YoY basis.
- EBITDA margin in Q1FY20 was 4% while it was 8% in Q4FY19 and 6% in last year same quarter.
- Profit of the company declined by 43% on QoQ basis and declined by 41% on YoY basis. PAT Margin stood at 2% in Q1FY20 while it was 4% in Q1FY19.
- The Refinery Throughput of the company for Q1FY20 was 7.45 MMT while it was 7.7 MMT in the same quarter last year showing a decline of 3.2%. This was mainly due to the shutdown of Mumbai refinery plant.

Future Outlook

In the current quarter company has incurred capex of around Rs. 1760 Cr. and have given the guidance for full year capex of approx. Rs. 8000 Cr. in its conference call.

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