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# Consolidated Financial Results



- **Record quarterly EBITDA** led by strong operating performance from O2C and Digital Services
  - Consolidated EBITDA at ₹ 27,550 crore, up 27.6% YoY
- **Net profit** at ₹ 13,806 crore up 66.7% YoY, with normalised tax provision
- **O2C** – Fourth sequential quarter of growth, significantly lower impact of second wave on demand and margins
  - Demand recovery on track to achieve pre-covid levels in 1-2 quarters
- **Retail** – Impacted by restricted store operations
  - Ramped up digital commerce to serve customer needs
- **Digital Services** – Good traction in subscriber addition and data usage, unaffected by second wave
  - Superior network, high customer engagement aiding traction
- **Oil & Gas** – Turnaround led by ramp-up in KG D6 production
- All strategic growth initiatives on course

**Resilient business model with multiple growth engines mitigates second wave impact**

# Consolidated Financial Results : 1Q FY22

(₹ crore)	1Q FY22	4Q FY21	Change QoQ	1Q FY21	Change YoY
Revenue	158,862	172,095	-7.7%	100,929	57.4%
EBITDA	27,550	26,602	3.6%	21,585	27.6%
Finance Cost	3,397	4,044	-16.0%	6,735	-49.6%
Depreciation	6,883	6,973	-1.3%	6,308	9.1%
PBT	17,270	16,382	5.4%	13,508	27.9%
Tax	3,464	1,387	149.7%	260	-
Net Profit (Pre-excep)	13,806	14,198	-2.8%	8,282	66.7%
Net Profit	13,806	14,995	-7.9%	13,248	4.2%

- YoY strong rebound in Revenues and Profits
- QoQ revenues impacted by curtailed Retail operations
  - Better realization aided O2C, Oil & Gas benefited from KG D6 ramp-up
- QoQ EBITDA improvement led by O2C, Digital Services and Oil & Gas, offsetting Retail weakness
- Further reduction in finance charges with repayment of liabilities and proactive optimisation of liability cost
- Sustained growth in PBT
  - Tax provision at normalised level

- Standalone net profit at ₹ 8,595 crore, up 76.2% YoY

**Strong operating performance despite pandemic-imposed challenges**

# Consolidated EBITDA : 1Q FY22

(₹ crore)	1Q FY22	4Q FY21	Change QoQ	1Q FY21	Change YoY
O2C	12,231	11,407	7.2%	8,166	49.8%
Retail	1,953	3,623	-46.1%	1,088	79.5%
Digital Services	9,268	8,945	3.6%	7,803	18.8%
Oil & Gas	797	480	66.0%	-32	-
Others	1,545	1,308	18.1%	1,658	-6.8%
<b>Segment EBITDA</b>	<b>25,794</b>	<b>25,763</b>	<b>0.1%</b>	<b>18,683</b>	<b>38.1%</b>
<b>Total EBITDA</b>	<b>27,550</b>	<b>26,602</b>	<b>3.6%</b>	<b>21,585</b>	<b>27.6%</b>

- Strong operational performance leading to record EBITDA
- QoQ O2C chain benefited from favorable margins, feedstock and energy cost optimisation
- QoQ sharply lower earnings for Retail on the back of restricted store operations and lower footfalls; partially compensated by good traction in omni-channel
- Digital Services maintained strong subscriber addition with reduced churn
- Oil & Gas turnaround led by KG D6 ramp-up

**Diversified portfolio of industry leading businesses driving record quarterly EBITDA**



# Robust Balance Sheet with High Liquidity

(in ₹ Crore)	Jun-21	Mar-21
Gross Debt	253,855	251,811
Cash & cash equivalent	257,716	254,019
Net Debt	(3,861)	(2,208)

- Robust balance sheet with investment grade ratings from S&P, Moody's and Fitch
  - Strong business profile with market leading positions
  - Diversified cash flow from a mix of Energy and Consumer businesses
- Significant reduction in finance cost through deleveraging

**Robust cash flows and balance sheet to support growth initiatives and deliver long term value**

## Demand and Margin Environment

- Strength in global demand supporting prices and margins
  - Improving transportation fuel cracks, at 4-6 quarter high
  - Continued strength in downstream chemicals margins with recovery in global demand
- QoQ domestic demand for fuels and downstream chemicals impacted by lockdowns
  - Strong YoY demand growth across products on low base

## Operational Excellence

- Fourth consecutive quarter of sequential growth, EBITDA at ₹ 12,231 crore, up 7.2% QoQ and 49.8% YoY
- Feedstock throughput at 19.0 MMT, up 1.6% QoQ
  - Optimised light feed cracking on favorable economics
- Swiftly flexed business model from domestic to exports; ensuring full utilization and smooth product placement
- Energy cost optimization with improved availability of domestic gas

**Global recovery, firm margins and high operating rates supported EBITDA growth**



## Customer Engagement

- Connectivity business sustains momentum despite Covid 2<sup>nd</sup> wave
  - Total customer base of 440.6 million as of June 2021; net addition 14.3 million in 1Q FY22
  - Monthly churn saw a further decline to 0.95%
  - Overall data traffic on Jio's network crosses 20 Exabytes for the quarter
  - Average data consumption per user per month increased sharply by 18% to 15.6 GB
- Infrastructure ramp up and focus on customer support minimized Covid related disruption

## Financial Performance

- ARPU of ₹ 138 with improving subscriber mix and better seasonality offset by Covid impact
- JPL Revenue of ₹ 18,952 crore driven by underlying growth of ~18% YoY in RJIL Revenue
- JPL EBITDA up 21.3% YoY to ₹ 8,892 crore, with 46.9% EBITDA margin

**Customer first approach driving growth**

## Operating Context

- Significant restrictions disrupts stores and logistical operations
- Footfalls at 46% of pre-COVID levels; consumer sentiment reviving but cautious
- Thrust on store expansion continues with >100 stores opened; 700+ stores fit out ready
- Safety of people and operations was a priority – 99%+ of Retail team vaccinated

## Financial Performance

- Gross Revenues at ₹ 38,547 crore, up 22% YoY with EBITDA at ₹ 1,941 crore, up 80% YoY
  - Electronics and Fashion drive growth in revenue and EBITDA on better trading conditions compared to last year
  - Scaled up digital commerce and merchant partnerships; together these contributed ~20% of retail sales

**Revenue and profit momentum adversely impacted by COVID Wave 2**

# Digital Services



## 1 Sustained momentum in Connectivity Business

- Total customer base of 440.6 million as of June 2021; net addition 14.3 million in 1QFY22
- Overall data traffic on Jio's network crosses 20 Exabytes for the quarter

## 2 ARPU stable at ₹ 138.4 with improving subscriber mix and better seasonality offset by Covid impact

## 3 Focus on infrastructure ramp-up and customer initiatives to minimize disruption

## 4 Strong financial performance despite Covid related challenges

- JPL Revenue of ₹ 18,952 crore underlying growth of ~19% YoY
- JPL EBITDA up 21.3% YoY to ₹8,892 crore, with 46.9% EBITDA margin

Proactive customer first approach drives growth in tough macro



- Jio will use Google Cloud's cutting-edge technologies to power Jio's 5G Solutions and for powering Reliance Retail, JioMart, JioSaavn and JioHealth
  - Edge Cloud infrastructure from Google Cloud to provide an open, highly scalable and high-performing platform to Jio
  - Jio and Google Cloud will collaborate to bring a portfolio of 5G edge computing solutions across gaming, healthcare, education, and video entertainment



- Jio and Microsoft have operationalized an initial 10MW capacity of Jio-Azure cloud data centers across Jamnagar and Nagpur
  - Currently onboarding pilot customers with our offerings for SMEs and start-ups
  - Further enhancement of capacity in subsequent quarters

**Partnering with world's best for cutting edge cloud solutions**

- Enabled Jio Mobility Recharge via WhatsApp BOT 70007 70007
- Ability to do recharge for self or friend
- Top 3 plan recommendations shown along with option to explore more plans
- Similar functionalities for JioFiber services, recharge reminder push notifications on WhatsApp and other experience enhancements on a single window being rolled out





## JioPhone existing users

- 2 new concepts introduced to ensure that existing JioPhone users do not disengage due to hardships caused by the 2<sup>nd</sup> wave of the pandemic
  - Free voice calls on on-going basis (300 mins/ month outgoing)
  - Buy-one-get-one recharge offer for all existing JioPhone users



## Emergency Data Loan

- Customers can avail emergency data loan by consuming data vouchers and paying later
- Total of 5 data vouchers (1 GB each) available per customer at anytime



**‘Customer First’ approach in everything we do....**

- **Step up in network capacity** further enhances customer experience on the world's best network
  - Customer experience > 10 Mbps being offered consistently across the network
- **Recently acquired spectrum is being deployed rapidly**
  - Fully automated network, platform approach and homogeneous network architecture drives efficiency
- **Network performance continues to grow stronger** with higher per capita data consumption
  - Jio's leadership evident across indoor coverage, download speeds and video experience
  - 26% YoY increase in per capita consumption to 15.6 GB/ month
- Spectrum investments have **created capacity to onboard the next 200 million customers** on Jio's network

- Jio 5G is 100% home-grown and comprehensive 5G solution which is fully **cloud native, software defined and digitally managed**
- **Necessary approvals and trial spectrum** received for initiating 5G field trials
  - 100 MHz in 3GPP band n78 allocated by DoT for trials
  - 5G Standalone Network installed in our data centers across the country
- **Converged and future-proof architecture** would enable Jio's network to quickly and seamlessly upgrade from 4G to 5G
- Creating **applications across Healthcare, Education, Entertainment and Retail**
  - Developing 5G enabled 'connected ambulance' with Sir H. N. Reliance Foundation Hospital
  - Interactive AR/ VR content for students and classrooms with Reliance Foundation Schools

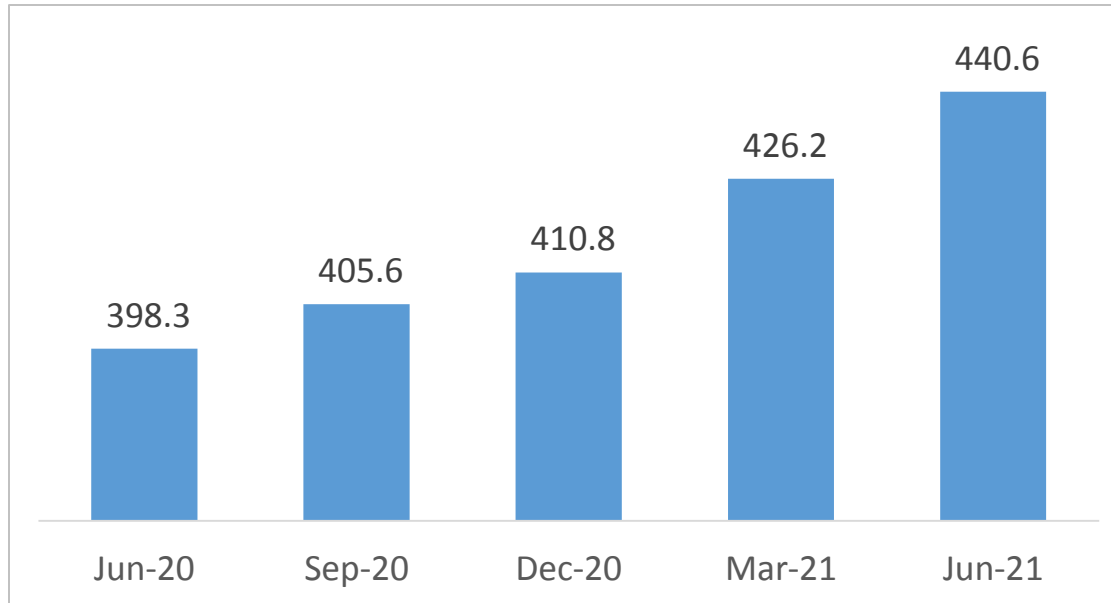
**Jio will be the first to launch full fledged 5G services in India**

- Despite on-the-ground challenges, JioFiber now has **over 3 million connected homes** with improving momentum in recent months
  - Each of the connected home has **end-to-end fiber connectivity**
- **Infrastructure provisioning has been ramped-up** to address strong latent demand for high quality fiber services across the country
  - Jio's optical-fiber network is physically present outside more than 12 million premises
- **Engagement metrics have improved steadily** across the customer base
  - Average home consumes almost **300 GB of data per month** and trending upwards
  - Jio STB has average usage of over 5 hours per day
  - Number of connected devices at 6 per home

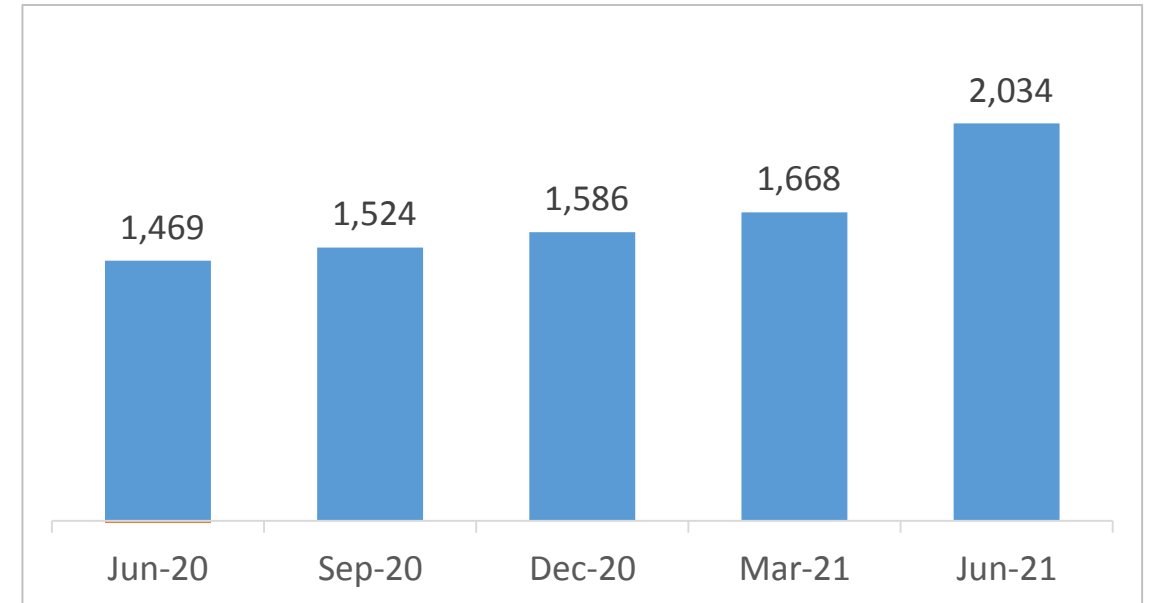
**Very strong traction for JioFiber services across the country**

# Sustained Momentum In Connectivity Platform

## Customer Base (million)



## Data Traffic (Crore GBs)



- Subscriber addition continues at a healthy pace despite 2<sup>nd</sup> wave of Covid
- Jio remains the preferred broadband connectivity provider with a sharp 38% YoY increase in data traffic during 1QFY22

**Strong growth in usage across mobility and FTTH**

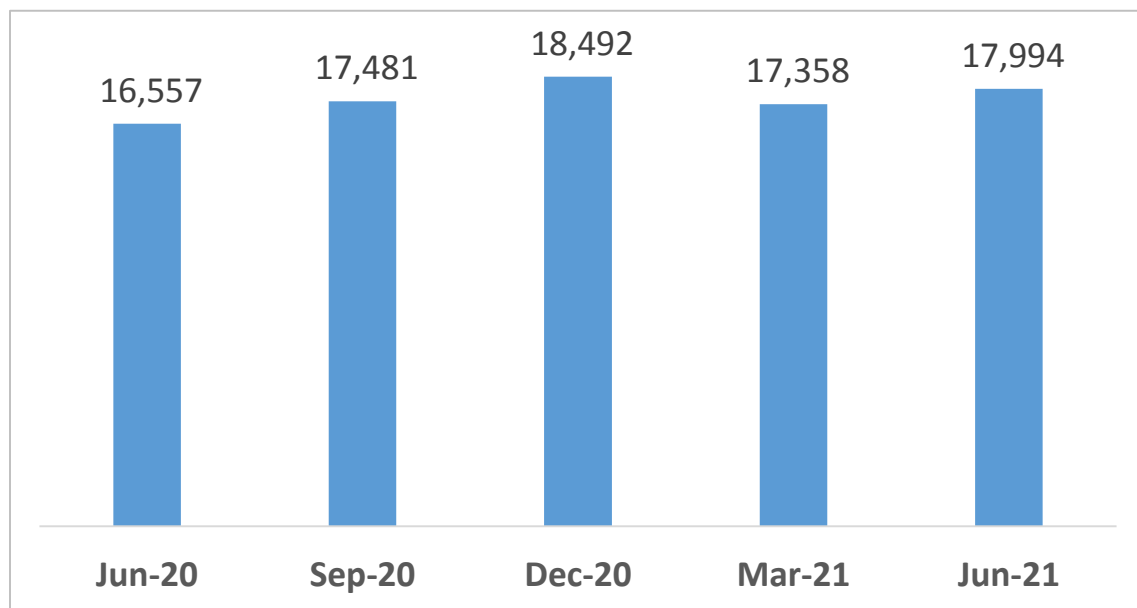
	1Q' 21-22	4Q' 20-21	1Q' 20-21
Total Customer base (million)	440.6	426.2	398.3
Net Customer addition (million)	14.3	15.4	9.9
ARPU (Rs/ month)	138.4	138.2	140.3
Total Data Consumption (crore GB)	2,034	1,668	1,469
Per Capita Data Consumption (GB/ month)	15.6	13.3	12.4
Voice on Network (crore mins per day)	1,169	1,148	978
Per Capita Voice Consumption (mins/ month)	818	823	754

- Healthy gross additions during the quarter despite challenges on the ground
  - Net customer addition at 14.3 million
- Data traffic up 38% YoY to over 20 Exabytes during the quarter
- Per capita data and voice usage was strong at 15.6 GB and 818 mins per month

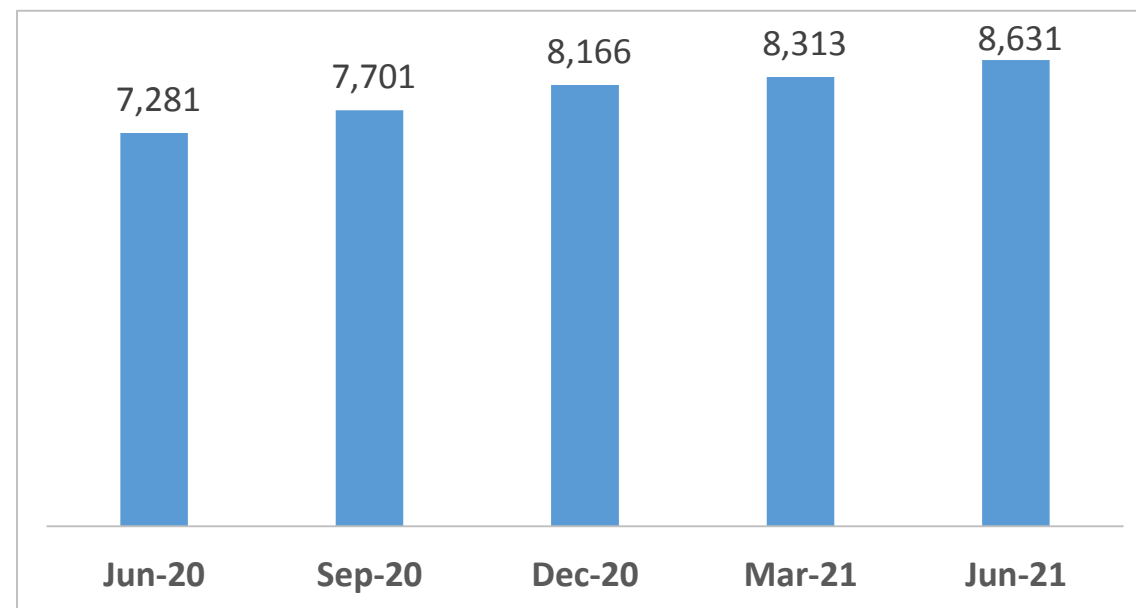
**Data usage shows a sharp increase; customer addition remains stable**



## Operating Revenue (in Rs crore)



## EBITDA (in Rs crore)



- **RJIL revenue** up 3.7% QoQ led by subscriber additions; **like-for-like growth at ~18% YoY** adjusted for IUC
- **EBITDA margins at 48.0%** leading to underlying EBITDA growth of 19.3% YoY

**Strong customer proposition drives growth**

Particular	JPL Consolidated		
	1Q' 21-22	4Q' 20-21	1Q' 20-21
Gross Revenue*	22,267	21,650	20,277
Operating Revenue	18,952	18,278	17,254
<b>EBITDA</b>	<b>8,892</b>	<b>8,573</b>	<b>7,332</b>
EBITDA Margin	46.9%	46.9%	42.5%
D&A	3,165	3,064	2,776
<b>EBIT</b>	<b>5,727</b>	<b>5,509</b>	<b>4,556</b>
Finance Costs	823	801	1,170
Profit before Tax	4,904	4,708	3,386
<b>Net Profit</b>	<b>3,651</b>	<b>3,508</b>	<b>2,520</b>

\*Gross Revenue is value of Services  
figures in Rs crore, unless otherwise stated

- Operating revenue growth of 9.8% YoY; like-for-like growth adjusted for IUC at ~19% YoY led by subscriber traction in connectivity platform
- EBITDA growth of 21.3% YoY driven by 440 bps YoY improvement in margins
- 44.9% Y-o-Y increase in net profit

**Growth driven by connectivity platform**

- **Covid and related economic disruptions** have delayed execution
  - Challenges in ramp-up of customer additions for Homes & Enterprises
  - Delay in incremental monetization of Connectivity and Digital platforms
- **Long and significant runway for growth** in Mobility business
  - Network capacity and Device strategy in place for next 200 million Jio customers
  - Jio's 5G rollout to usher the next phase of digital revolution in India
- **Overall demand remains intact**
  - Need for high quality fixed broadband evident from inbound queries
  - Accelerated adoption of digital platforms across Commerce, Education, Entertainment and Healthcare
  - Jio's mobility coverage and network experience continues to drive market share gains

**Robust business model for sustainable growth**

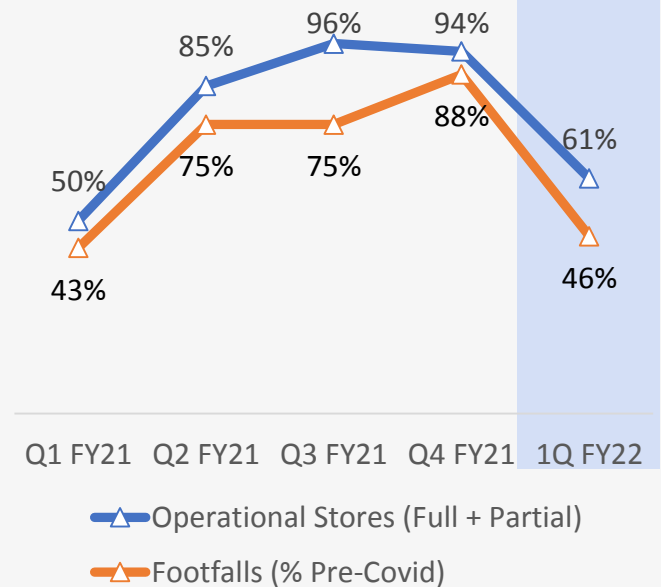
# Reliance Retail



# Challenging Operating Context, Though Improving

- Significant restrictions particularly in latter April and May; signs of easing in June
  - Business (incl. digital commerce) confined to essential items for the most part
  - Seamless logistics impacted due to constraints
- 26% stores fully open, 35% partially (Grocery 71%; Non-Grocery 29%)
- Operating store hours were at 70%, 25% & 38% for April, May and June respectively
- Footfalls drop to 46% (4Q FY21: 88%) of pre-COVID levels
- Consumer sentiment while cautious, reviving over time

**% Store Operational Days & Footfalls**



**Situation still uncertain**

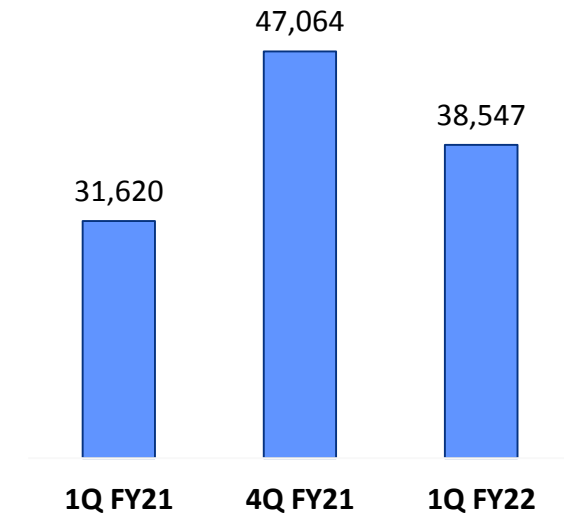
1. Decisive actions taken to secure people and operations; >99% of retail team vaccinated across the country
2. Significant up-tick of revenues at +32% YoY<sup>1</sup>; Grocery resilient; step up across all other consumption baskets
3. EBITDA at ~Rs. 2,000 Cr, up 80%, buoyed by Fashion & Lifestyle, Consumer Electronics, investment income
4. Expansion thrust continues – 123 new stores opened in the quarter; 700+ stores fit out ready
5. Continued scaling up of digital commerce and merchant partnerships

**Securing people and operations, a foremost priority in quarter**



- Robust revenue performance; growth of 32% YoY<sup>1</sup>
- Grocery resilient; consistent and steady uptick in Connectivity
- Growth in Fashion & Lifestyle and Electronics on better trading conditions
- Digital + New Commerce partially alleviates impact on offline
  - Contributes 20% of sales<sup>2</sup> in quarter vs 4% same time last year
- Petro retail transition impact of Rs 2,314 cr; made up by new streams

**Gross Revenue**  
Rs Crores



Operational Stores <sup>3</sup> (%)	50%	94%	61%
Footfall (%)	43%	88%	46%

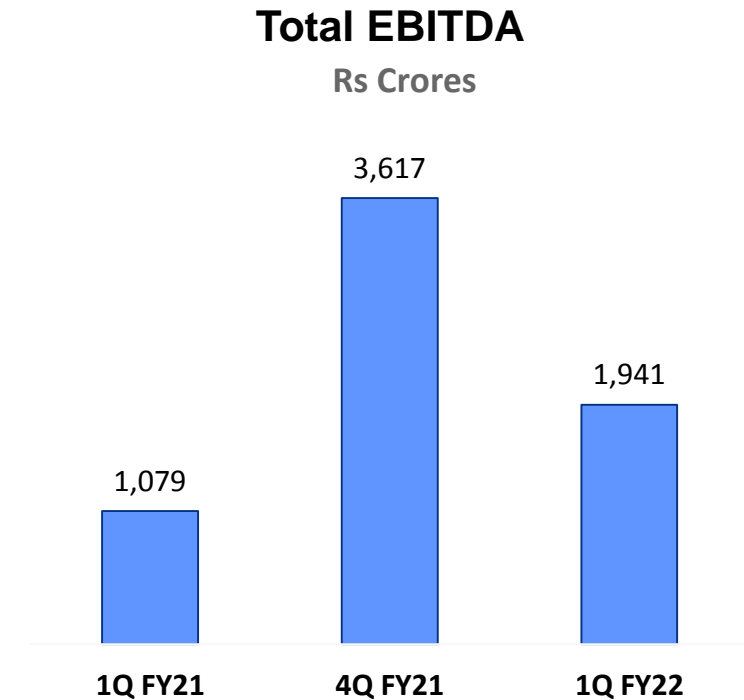
1. Revenue growth excluding Petro Retail

2. On retail revenue base excluding Petro Retail and Connectivity

3. Operational stores (Full + Partial)

**Quarterly revenue impacted by operating restrictions**

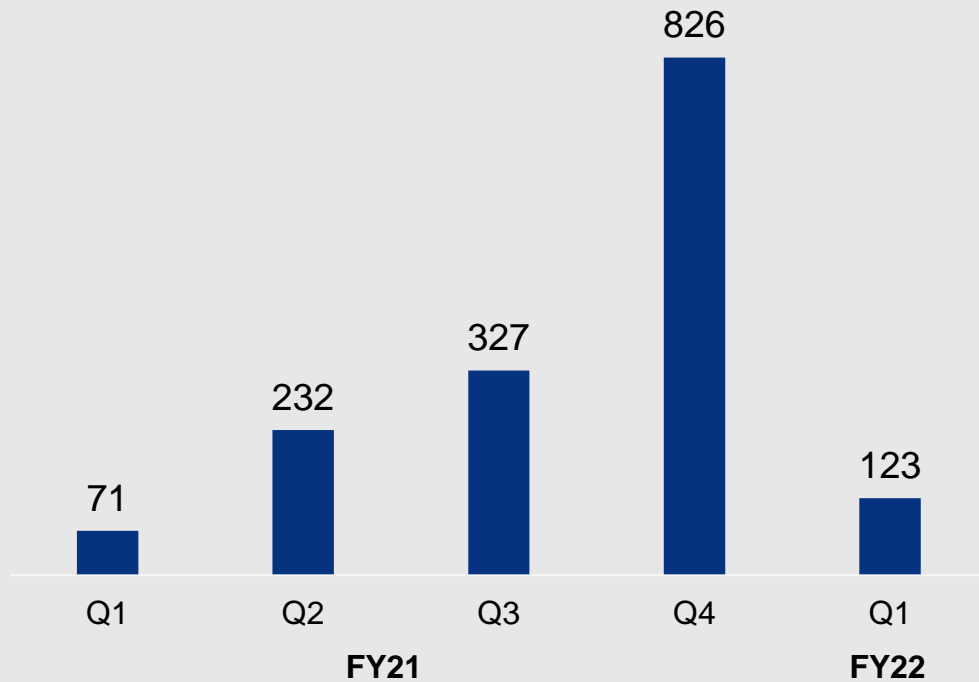
- EBITDA at ~Rs. 2,000 crore, up 80% YoY
  - Fashion & Lifestyle and Electronics grow faster on better trading conditions
  - Focus on managing fixed and discretionary costs sustained
  - Boost from higher investment income



**Healthy EBITDA delivery in a tough context where revenue was constrained**

# Store Expansion Across Businesses

### New Store Launches



### New Stores

Region	Total		Q1 Addition	
	Store Count	Area (SqFt mn)	Store Count	Area (SqFt mn)
North	2,859	6.2	6	0.1
South	3,721	13.0	56	0.4
East	2,787	5.6	17	0.1
West	3,358	8.9	43	0.2
International <sup>1</sup>	78	0.8	1	-
<b>Total</b>	<b>12,803</b>	<b>34.5</b>	<b>123</b>	<b>0.8</b>

\* Total Store count excludes Pharma SIS sections which are embedded within SMART Point stores covered under Grocery

**Store opening halted given COVID Wave 2 context; 700+ more in pipeline**

*In Rs Crore*

4Q FY21	% Change Q-o-Q	Parameter	1Q FY22	1Q FY21	% Change Y-o-Y
47,064	-18%	Gross Revenue	38,547	31,620	22%
41,296	-19%	Net Revenue	33,566	28,197	19%
3,617	-46%	Total EBITDA	1,941	1,079	80%
8.8%	-300 bps	<i>Total EBITDA Margin on Net Revenue (%)</i>	5.8%	3.8%	+200 bps
2,247	-57%	Profit After Tax	962	431	123%

- *Total EBITDA boosted by investment income of Rs 551 Cr, excluding this underlying operating margin at 4.1% (1Q FY21: 3.8%)*

**Revenue and profit momentum impacted by operating limitations**

# Performance Highlights – Consumer Electronics



- Revenue up 1.8X YoY; highest ever quarterly sales from reliancedigital.in
- Lower footfalls in the quarter partly offset by higher conversions and larger ticket sizes
- Omnichannel promotions, financing tie-ups, exchange offers and new launches boost sales
- Broad based double-digit growth across categories; good early execution on air care
- Own brands business scaled up; Counters +20% QoQ; BPL, Kelvinator portfolio extended

**Bolstered Digital Commerce & maximized extraction from operational stores**

# Performance Highlights – Fashion & Lifestyle (1/2)



- **Apparel & Footwear** revenue grows 3X YoY on better trading conditions
  - Regional events, in-store activations and offers drive conversions and higher bill values
  - Small town performance more resilient; operating metrics well above overall average
  - Hyperlocal capability for Fashion on JioMart further extended, now across 450+ cities
- **AJIO** continues to scale new heights; traffic, MAU and order up >4X YoY
  - Successful execution of events with significantly stepped-up product catalogue
  - Ramped up capacities across DCs, 3PL partners; secured inventory to enable higher fill-rate
- Continued to scale up **merchant partnerships** & geographical coverage; now in 2,380 cities
  - ~500 new labels launched; own brands share increased to 27%

Omni-commerce capabilities serving the business well in these times





- **Jewels** revenues up 2.5x YoY on higher operational days; better product mix
  - Continuing to leverage design capabilities for festive / event collections (Ugadi, Father's Day)
  - 'Virtual Gold Voucher' facility drives customer engagement and helps upsell upon redemption
  - Awarded 'Marketing Campaign of the Year' at Asian Leadership Awards for "Utkala Collection"



- **Luxury/Premium Brands** digital commerce scaled; expanding portfolio & partnerships
  - AJIO LUXE offering augmented; encouraging response to initial launch
  - Strong rebound on Hamleys upon UK re-opening; pop-ups & focused campaigns drive engagement
  - Expanding partnerships – announced JV with Creative Artists Agency and Global Brands Group



- Double digit YoY growth in continuing business; QoQ performance impacted by operating restrictions
- Stores re-organized to ensure quick and safe shopping while meeting customer demands
- Broad based growth across categories led by staples, processed food and HPC
- Leveraged relationships with key vendors to ensure better availability, activations and promotions



- Nation wide launch of own brand 'Puric InstaSafe'; extended to General Trade
- JioMart scales up further, order up 25% QoQ with high repeats; coverage extended to 218 cities
- Kirana partners up by a third with stepped-up business; capabilities being built for faster onboarding

Driving resilience of revenue in a limiting context

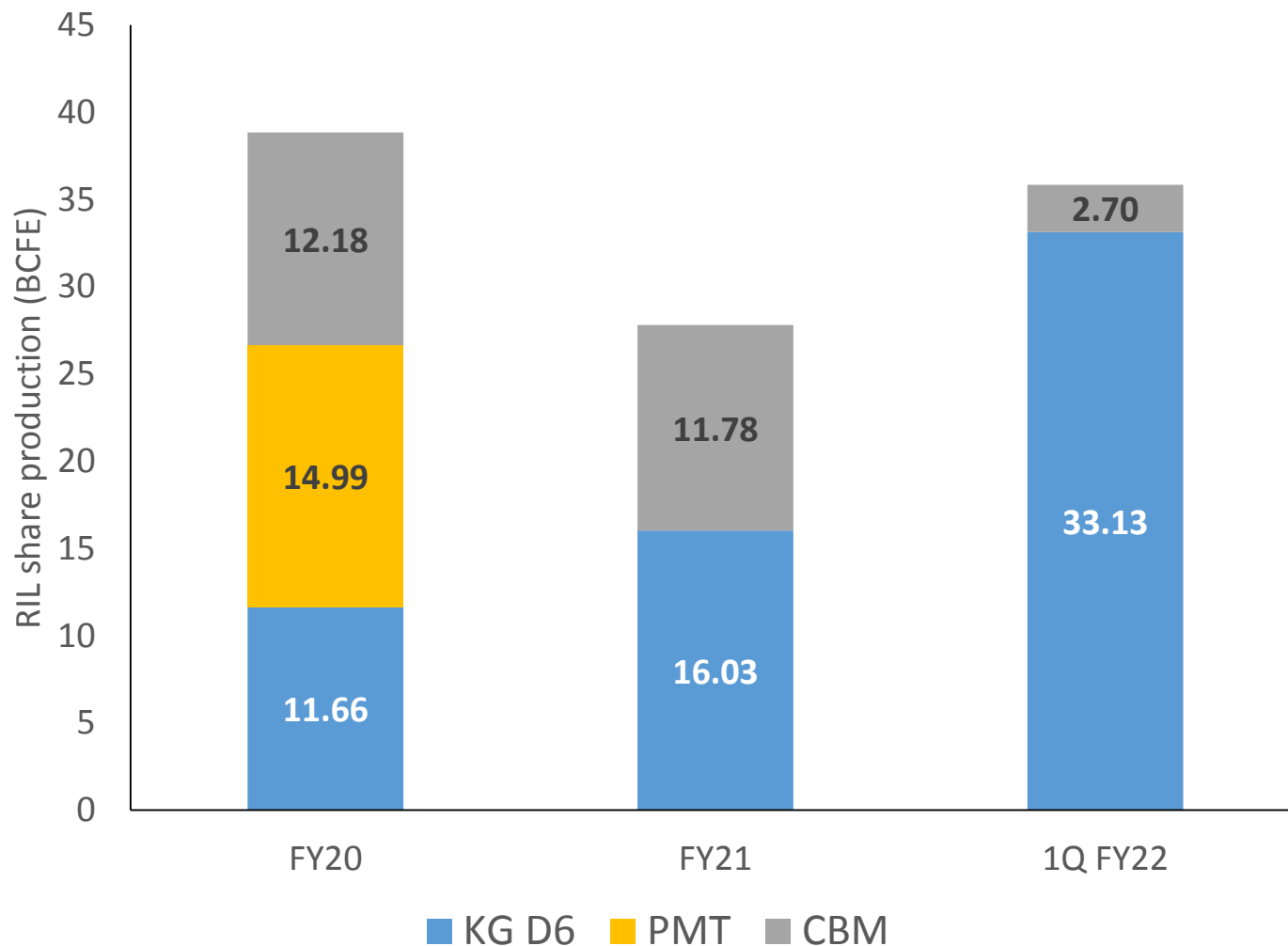
## **Vaccinating employee / family / partners and securing operations a foremost priority**

1. Accelerate new store opening
2. Scale up Digital Commerce; expand category play on JioMart
3. Grow New Commerce merchant partnerships across businesses and geographies
4. Launch/scale up new businesses – JioMart Digital, Subscription, Marketplace, Beauty, Urban Ladder, Zivame
5. Expand design centres, develop vendor ecosystem and fast track supply chain infrastructure augmentation
6. Complete Just Dial acquisition and initiate actions on business plans

# Oil & Gas



- Significant turnaround in Oil & Gas business with start-up of new production system in KG D6
- 1Q FY22 domestic production (RIL share) at 35.83 BCFE, almost at par with FY20 levels
- Revenue at 10-quarter high; EBITDA at 22-quarter high
- Commenced production from Satellite cluster in Apr'21, ahead of plan (R-Cluster was commissioned in Dec'20)
  - Achieved aggregate production of >18 MMSCMD, ahead of plan
- 3 rounds of bidding completed for KG D6 gas – successfully contracted 18 MMSCMD of gas in domestic market



- Sharp production revival in domestic upstream portfolio
- Production in 1Q FY22 more than FY21 production
- 1Q FY22 average production
  - KG D6 at 16.6 MMSCMD
  - CBM at 0.84 MMSCMD

**KG D6 contributing nearly 20% of India's gas production**

# Oil & Gas Segment Performance

(in ₹ Crore)	1Q FY22	4Q FY21	Change QoQ	1Q FY21
Revenue	1,281	848	51.2%	506
EBITDA	797	480	66.0%	(32)
EBITDA Margin(%)	62.2%	56.6%		(6.3%)
<b>Production (RIL Share) (BCFe)</b>				
KGD6	33.1	15.0	121%	-
CBM	2.7	2.8	(3.6%)	3.1
US Shale	10.2	6.5	56.9%	25.2
<b>Price Realization</b>				
KGD6 (GCV) \$/MMBTU	3.62	3.99	(9.3%)	-
CBM (GCV) \$/MMBTU	6.01	5.20	15.6%	3.68
US Shale (\$/Mcf)	5.39	4.95	8.9%	1.59

- Robust operating performance
  - Revenue at 10-quarter high despite lower price realization in KG D6
- 22-quarter high EBITDA, up 66.0% QoQ supported by
  - Margin expansion, up 560 bps QoQ
  - Increased production from R-cluster, Satellite cluster
  - Improved price realization for CBM and US-Shale

**Strong operating performance led by 2.2x QoQ increase in KG D6 gas production**



## ➤ KG D6 - MJ Field:

- First Offshore Installation campaign completed
- Second Offshore Installation campaign will commence from Nov'21
- Drilling & Completions of wells underway
- FPSO and Subsea Production System on track
- First gas expected by 3Q FY23

## ➤ KG UDW1

- Seismic data acquisition completed; data processing underway



**MJ: Subsea Production System**



**MJ: FPSO**

**On-track for achieving 30 MMSCMD from KG D6 by 2023**



## Oil to Chemicals (O2C)



## Demand Environment:

- Rising consumer sentiment, global vaccination drive and supportive monetary policy aiding demand growth
  - Global oil demand rose by 1.2 mb/d QoQ to 94.7 mb/d on steady demand growth in the West and China
  - Healthy global demand growth for Polymers and Polyesters on the back of economic revival in US and Europe
- Global mobility levels in June at 88% of pre-pandemic level vs. 60% at beginning of the year
- QoQ domestic demand impacted by second-wave led lockdowns, strong YoY recovery on low base
  - Oil product demand at 48.5 MMT, up 18.8% YoY
  - Polymer demand up 28% YoY; Polyester demand up 203% YoY

## Operating Rates:

- Global cracker operating rates remained healthy at 82% during 1QFY22 (vs. 81% in previous quarter)
- Global refinery operating rates at 76% vs. 74% in previous quarter

**O2C chain benefiting from continuing demand revival and increased mobility**

## Feedstock Price Environment:

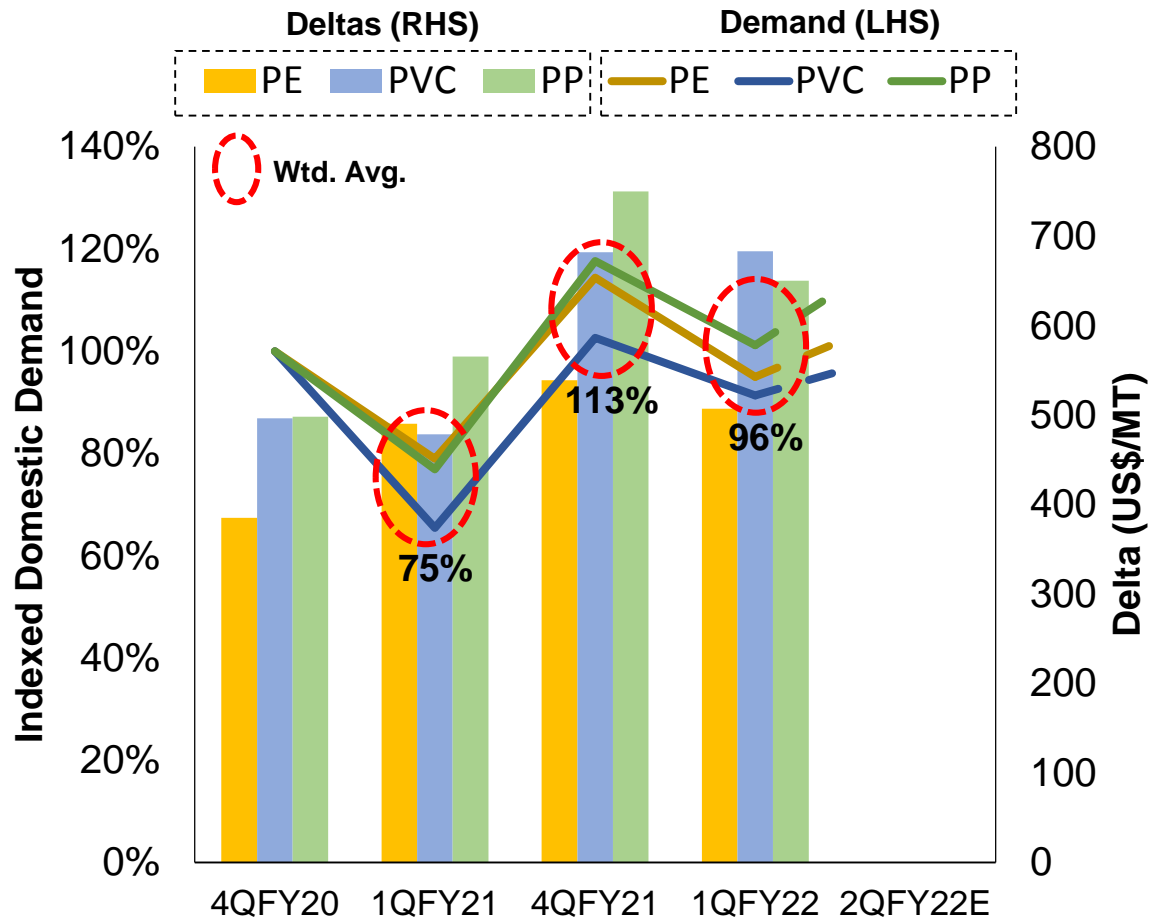
- Brent crude averaged at \$ 68.83 /bbl, up 13% QoQ – at 11-quarter high
  - Supported by robust global fuel demand, supply management by the OPEC+
- Higher cracker feedstock prices with restart of crackers post arctic freeze, new crackers in Asia, healthy demand
  - Naphtha prices up 9% QoQ, US Ethane prices up 8% QoQ
- Global supply chains continue to face unprecedented challenges – with high sea-freight and container shortages
  - Trade flow impacted amidst Suez Canal crisis in late March

## Product Margin Environment:

- Improving trend in transportation fuel cracks with increased mobility – at 4-6 quarter high
- With reopening of economies, strong global demand supporting downstream chemicals margins
  - YoY PVC delta up 43%, PP up 15%, PTA up 72%, PX up 14%

**Improved operating environment supported by economic activity, logistic constraints**

## Product deltas and Domestic demand indexed to 4QFY20 (pre-Covid) levels



## Domestic Demand

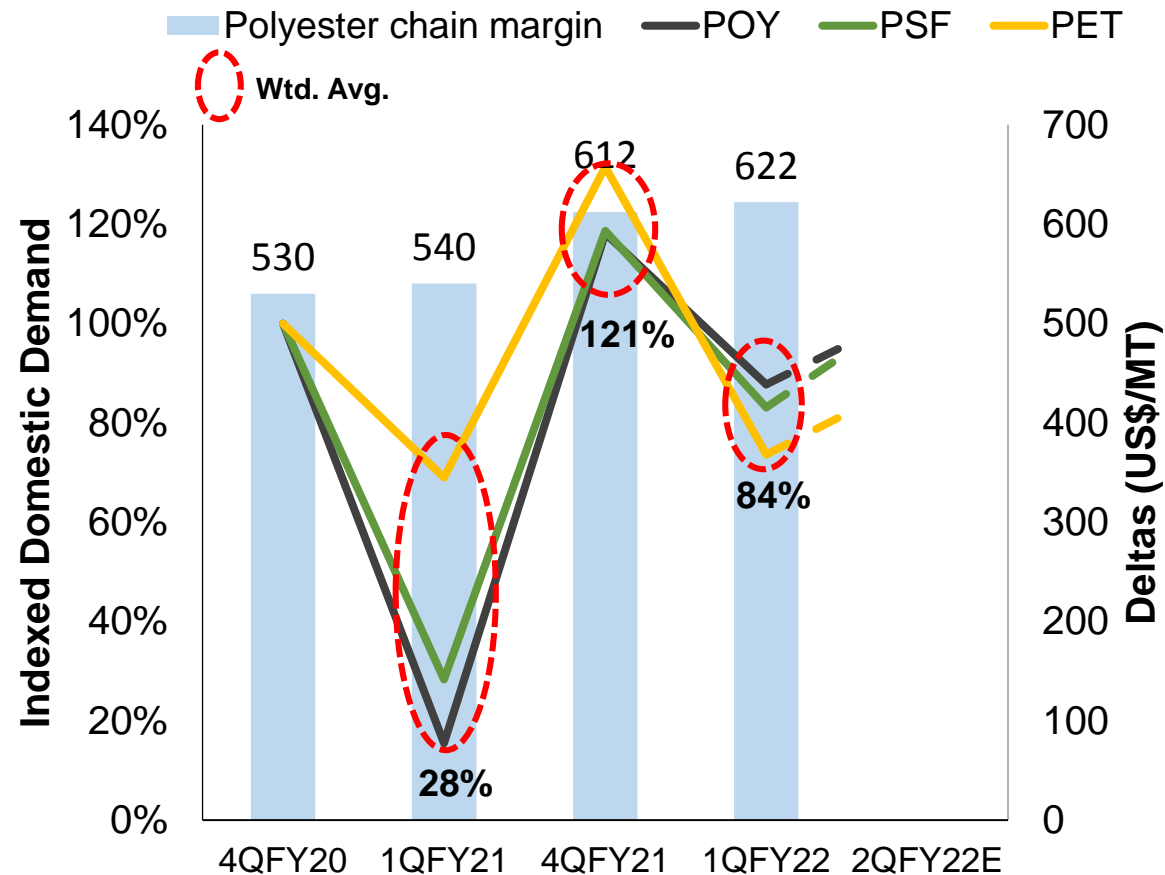
- Second wave impact on demand less severe than first wave - QoQ domestic demand down 15% vs 25%
- Despite QoQ fall, demand almost at pre-covid levels
- YoY demand up 28% led by health & hygiene, FMCG & Milk packaging, PP co-polymer for oxygen concentrator

## Deltas

- PVC delta stable, while PP & PE down 6-13% QoQ
- However, deltas are still 30-40% above pre-covid levels
- Global recovery and logistics constraints aiding deltas
- PP & PVC margins remained above 5-year average

**Strong consumption momentum to sustain demand growth**

## Polyester chain margins and Domestic demand indexed to 4QFY20 (pre-Covid) levels



## Domestic Demand

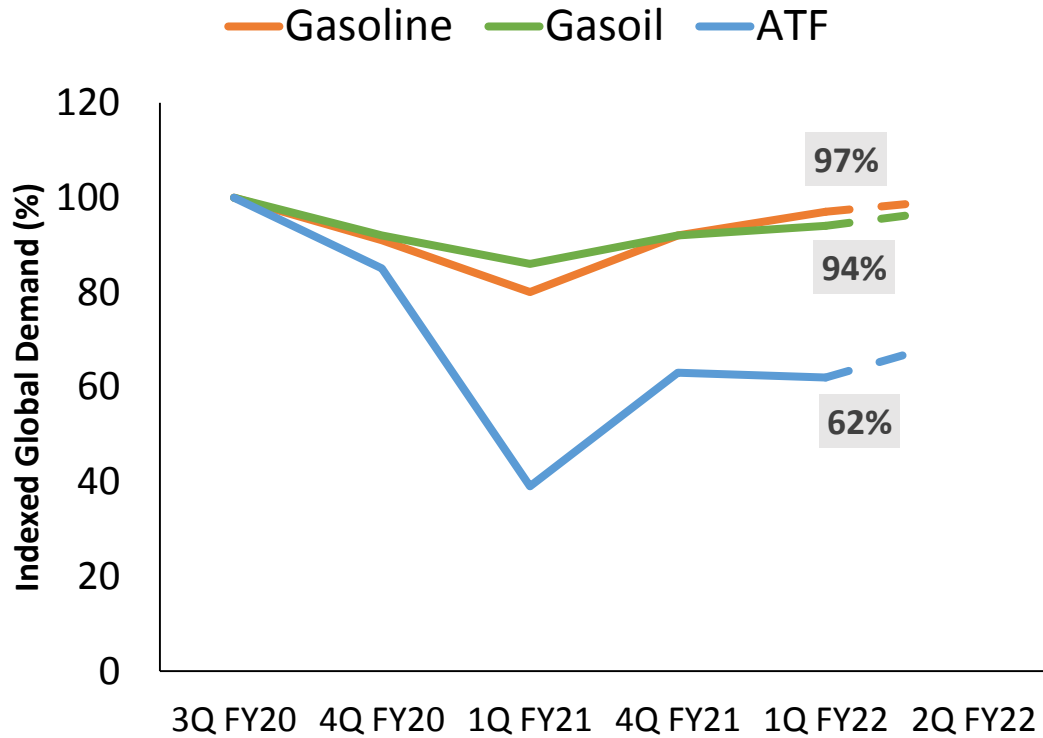
- Second wave impact on demand mild vs. first wave - QoQ domestic demand down 30% vs 72%
- Demand at 84% of pre-covid levels, but sharply higher on YoY, up 203%
- PET demand impacted by lockdowns for the second consecutive summer season

## Deltas

- Despite volatile demand, chain deltas up 15% YoY
- In first wave, deltas maintained with China inventory build-up of PX & PTA driven by lower prices
- In the second wave, deltas maintained with strong polyester chain growth in China
- Integrated chain margins nearing 5-year average

**Chain margins supported by demand revival despite high feedstock prices**

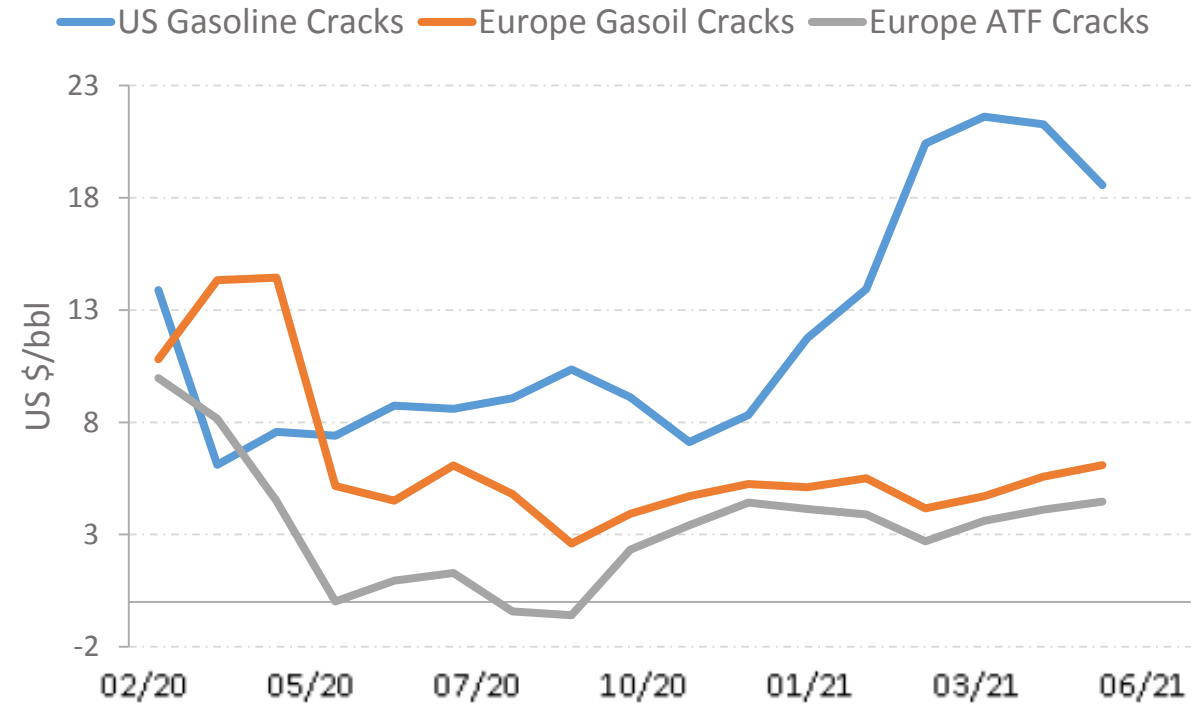
**Global fuel demand indexed to 3Q FY20 (pre-Covid) levels**



- Google mobility data suggests global economy is operating only 12% below normal mobility levels
- Gasoline and gasoil demand nearing pre-covid levels
  - Demand revival led to declining gasoline and gasoil inventories across major hubs
- Increased leisure travel pushing up hotel room rates and gasoline demand in USA
  - US domestic daily air-travel crossed 2.1 million people in June - the most since March 2020
- Jet fuel demand 38% below pre-covid levels, at 5.2 mbd in June'21

**Economies reopening support demand growth despite high oil prices; Jet demand recovery crucial**

# Cracks Improving with Increased Mobility Demand



- Gasoline cracks at 6-quarter high – demand improved with rise in mobility globally; led by U.S.
- Gasoil cracks improved QoQ with uptick in demand as economies reopened, however weak ATF weighed on cracks
- ATF cracks improved QoQ as domestic air travel continued rising trend in US and major countries in EU

**Global mobility surges back to near normal, led by USA and Europe**

# O2C – 1Q FY22 – Performance Highlights

(in ₹ Crore)	1Q FY22	4Q FY21	Change QoQ	1Q FY21
Revenue	103,212	101,080	2.1%	58,906
EBITDA	12,231	11,407	7.2%	8,166
EBITDA Margin (%)	11.9%	11.3%		13.9%

- Robust QoQ performance – EBITDA margins up 60 bps
- Margin expansion across key products on the back of strong global demand and reopening of economies
  - Recovery in transportation fuel cracks
  - Healthy QoQ improvement in downstream deltas – PX up 25%, PET up 18%, POY up 20%
  - Feedstock flexibility (Naphtha vs. Ethane) helped optimize margins
  - Enhanced domestic gas availability reduced energy cost
- RIL continued to operate at near full capacity
  - Quickly flexed business model from domestic to exports to ensure full product placements

**O2C continues to deliver strong performance despite weak domestic markets**



Feedstock	1Q FY22	4Q FY21
	(Vol in MMT)	
Throughput	19.0	18.7
Production meant for sale	1Q FY22	4Q FY21
	(Vol in MMT)	
Transportation Fuels	9.8	9.9
Polymers	1.4	1.5
Fiber Intermediates	1.1	1.1
Polyesters	0.6	0.6
Chemicals and Others	3.6	3.5
<b>Total</b>	<b>16.5</b>	<b>16.6</b>

- Sustained high operating rates across sites through the quarter
  - Throughput higher by 1.6 % QoQ
  - Maximized SRFO, other arbitrage barrels to optimize cost
- Unplanned outage of FCCU marginally impacted gasoline, PE, PP
  - FCCU restarted and has stabilized with normal throughput
- Jet-fuel production increased in line with better demand
- Efficient placement in export market based on higher margins mitigated lower consumption in domestic market

## Medical Grade Oxygen

- Increased ASU operations and curtailed gasifier operations to maximise Oxygen production
- Substituted energy requirement by imported LNG
- Oxygen loading facility of 1,000 TPD developed in just 17 days; met daily requirement of 100,000 patients during peak of Covid

**Sustained high operating rates supported by superior product placement capabilities**

## Macro

- Oil demand recovery in 2021 to 96.4 mb/d seen short of 2019 levels of 99.7 mb/d as per IEA
- Global polyolefin new supply ahead of demand growth – strong Asia demand to absorb additional supply
- Global vaccination drive and containment of COVID cases to drive business confidence

## Margin

- Reduced Chinese export quota and demand recovery in US supporting Gasoline margins
- International logistics constraint likely to continue – limited supply to support downstream margins
- Polyester chain deltas expected to remain firm, beneficial to integrated players

**Demand revival and improved business confidence to benefit O2C value chain**

## Demand Drivers

- Improving trends in road and air mobility to lift transportation fuel demand
- Healthy domestic demand growth expected from key segments – healthcare, food packaging, oil and liquid packaging, FMCG
- Favorable policy initiatives to boost PE and PVC pipe demand

## Challenges

- Fresh lockdowns with rise in cases in SEA with new variants restricting demand recovery
- Any fresh restrictions may delay demand recovery to pre-covid levels
- Crude markets tightening, high oil prices can potentially impact demand and margins

**Domestic economic revival to aid in demand recovery across sectors**

# Summary



- Record EBITDA, minimal impact of second wave on operating and financial performance
- With improving global mobility, fuel and downstream chemicals demand expected to remain firm
  - Constructive outlook for margin across O2C chain
- Oil & Gas poised to be a source of significant value and sustained earnings growth in the coming years
- Jio to continue its leadership position with new offerings - JioPhone Next, JioFiber and Enterprise business
- Retail positioned for strong recovery led by digital commerce, store additions and revival in consumer sentiments
- Focusing on an accelerated start to Clean and Green Energy business initiative

**Diversified portfolio across consumption baskets underpin robust growth outlook**

*Growth is Life . . .*