



## **3Q FY23 Financial Results Presentation**

**20 January 2023**

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# Consolidated Financial Results



1. Consolidated EBITDA at ₹ 38,460 crore, up 13.5% YoY led by consumer businesses and upstream
2. O2C earnings improved with firm middle distillate cracks; margin pressure on downstream chemicals
3. Robust Retail Revenue and EBITDA - store expansion, higher footfalls during festive season and growing business through digital channels
4. Strong Digital Services segment performance with traction in subscriber growth and data traffic
  - ✓ 5G coverage expands to over 100 cities with pan India rollout target of Dec'23
5. Strong growth in Oil & Gas segment with sustained production and better realization, constrained by ceiling price
6. Net profit at ₹ 17,806 crore, marginally up YoY - higher depreciation and finance cost, SAED constrained growth

*\*YoY Net Profit growth excludes exceptional item of ₹ 2,836 crore in 3Q FY22*

**Strong growth across key operating segments**

## Retail

Revenue ₹ 67,634 crore  
EBITDA ₹ 4,786 crore

1. Revenue up 17% YoY; EBITDA up 25% YoY with 70 bps margin improvement
2. Total store count at 17,225; added 789 new stores in 3Q FY23
3. >200 Mn footfalls across formats, up 26% YoY
4. Registered customer base at 235 Mn, up 31% YoY
5. Delivered >265 million transactions, up 29% increase YoY

## Digital Services

Revenue ₹ 30,343 crore  
EBITDA ₹ 12,900 crore

1. Revenue up 20% YoY; EBITDA up 26% YoY
2. ARPU at ₹ 178.2 with increasing per capita data consumption
3. Subscriber base at 432.9 Mn, net add of 5.3 Mn subscribers
4. Strong data traffic growth at 29 Exabytes, up 24% YoY
  - ✓ Per capita data consumption crossed 22.4 GB / user

**Growth momentum in consumer businesses with improving operating context**

## O2C

Revenue ₹ 144,630 crore  
EBITDA ₹ 13,926 crore

1. Revenue up 10% YoY; EBITDA up 3% YoY
2. Strength in middle distillate cracks supported segment earnings, constrained by
  - ✓ Weak margins across polymer, polyester chain and light distillates
  - ✓ 4.6% lower throughput with planned M&I activity
  - ✓ SAED on Diesel and ATF
3. Strong YoY domestic demand – Oil (+7%), Polymers (+8%), Polyester (+11%)
4. QoQ EBITDA up 16% with fuel, feedstock and product yield optimization

## Oil & Gas

Revenue ₹ 4,474 crore  
EBITDA ₹ 3,880 crore

1. Revenue up 75% YoY; EBITDA up 91% YoY
2. Avg. gas price realization for KGD6 at \$11.3/MMBTU, much lower than avg. Asian LNG price of \$ 31 /MMBTU
3. KGD6 production stable at ~19 MMSCMD
4. KGD6 - MJ field on track to commence production in 4Q FY23

# Consolidated Financial Results : 3Q FY23

(₹ crore)	3Q FY23	Change QoQ	Change YoY
Revenue	<b>240,963</b>	-4.9%	14.8%
EBITDA	<b>38,460</b>	11.0%	13.5%
Finance Cost	<b>5,201</b>	14.2%	36.4%
Depreciation	<b>10,187</b>	4.7%	32.6%
PBT	<b>23,072</b>	13.2%	3.0%
Tax	5,266	8.2%	12.3%
Net Profit	<b>17,806</b>	14.8%	0.6%

- YoY strong Revenue and EBITDA growth
  - ✓ EBITDA growth led by Digital Services, Oil & Gas and Retail segment
  - ✓ Positive contribution from O2C despite weak downstream chemical margins and SAED
- Net profit up marginally YoY with higher finance cost and depreciation
- Finance cost up primarily due to interest rate hikes by Central Banks and higher loan balances
  - ✓ Through FY23, USD rates up 425 bps, INR rates up 325 bps
  - ✓ Prudent mix of Currency and Fixed/Floating facilities muted impact of significant hike in policy rates
- QoQ earnings growth led by strong operating performance across businesses

✓ Standalone net profit at ₹ 8,373 crore, down 18% YoY

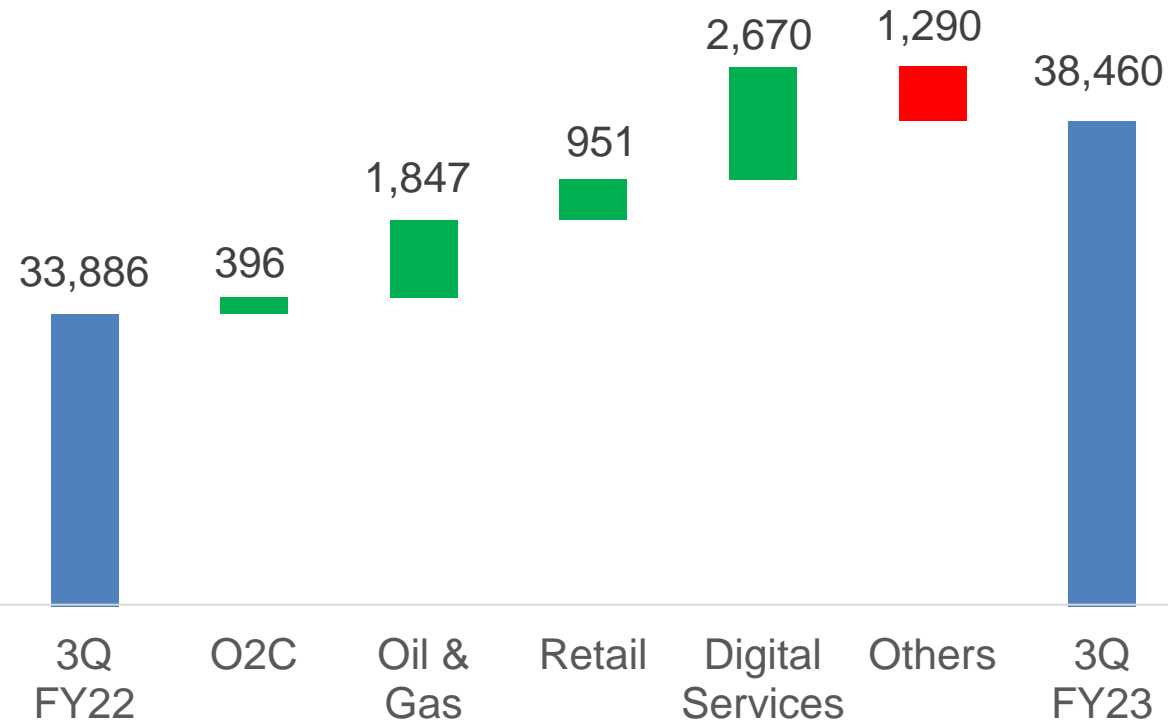
*\*Consol Net Profit for 3Q FY22 is excluding exceptional item of ₹ 2,836 crore.*

**Strong operating performance with all businesses delivering growth**



# Contributing Factors to Change in EBITDA (YoY)

3Q FY23 vs 3Q FY22 - ₹ crore (YoY)



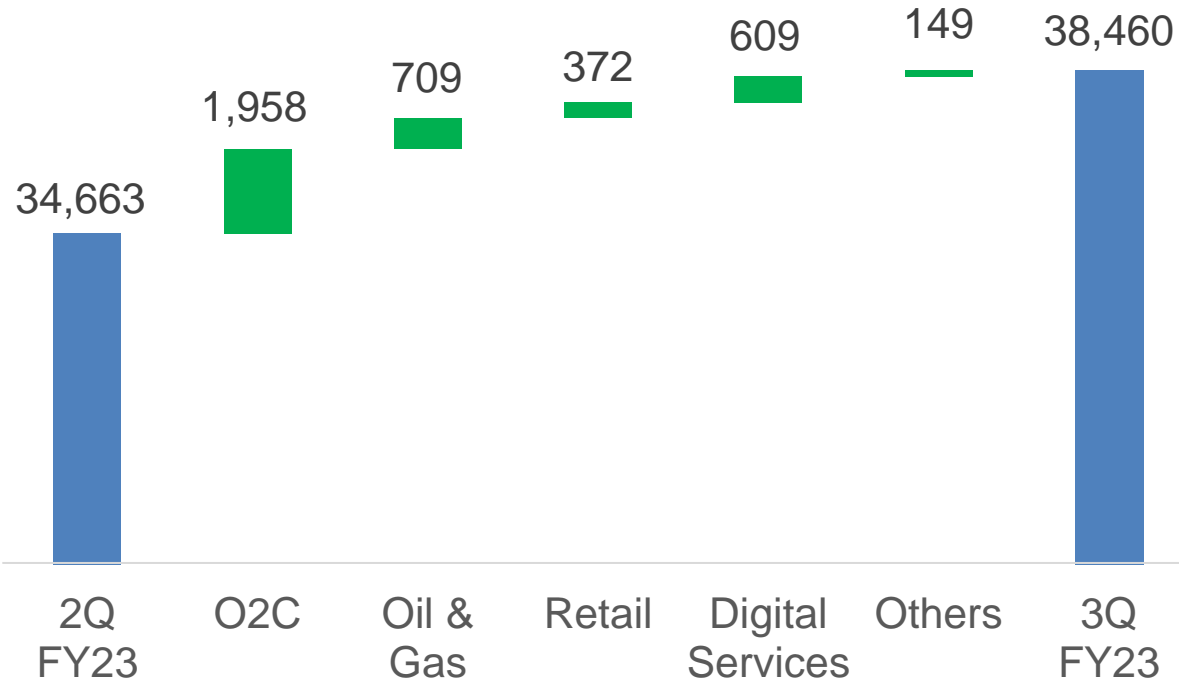
1. Better refining economics supported O2C segment
  - ✓ Weak downstream chemical margins and lower volumes constrained earnings
2. Oil & Gas segment nearly doubled earnings on stable production and sharp improvement in realization
3. Retail segment growth led by strong consumption demand and margin expansion
4. Digital Services benefitted from subscriber growth, 17.5% higher ARPU and 24% growth in data traffic

**Strong contribution from Retail, Digital Services and Upstream business supported YoY growth**



# Contributing Factors to Change in EBITDA (QoQ)

3Q FY23 vs 2Q FY23 - ₹ crore (QoQ)



1. O2C segment supported by strength in middle distillate cracks
  - ✓ Weak polymer (5-18%) and polyester (19%) margins weighed on profitability
2. Oil & Gas segment maintained stable production
  - ✓ Improved realizations led to higher contribution
3. Retail segment benefited with record footfalls, festive season and store expansion
4. Digital Services maintained growth momentum with lower SUC charge, addition of 5.3 Mn subscribers

**EBITDA up 11% QoQ – Energy businesses accounted for 70% of incremental growth**

(₹ crore)	Dec-22	Sep-22
Gross Debt	303,530	294,859
Cash & cash equivalent	193,282	201,606
Net Debt	110,248	93,253

1. Change in net debt largely attributable to capex funding
  - ✓ Accelerated capex towards 5G roll-out, ramp-up in retail operations
2. Proactive liability management to contain finance cost in rising policy rate environment
  - ✓ Increased mix of Fixed rate liabilities in loan book
3. Net debt significantly lower than annualized EBITDA

**Maintaining conservative balance sheet while executing accelerated growth plans**

## Digital Services

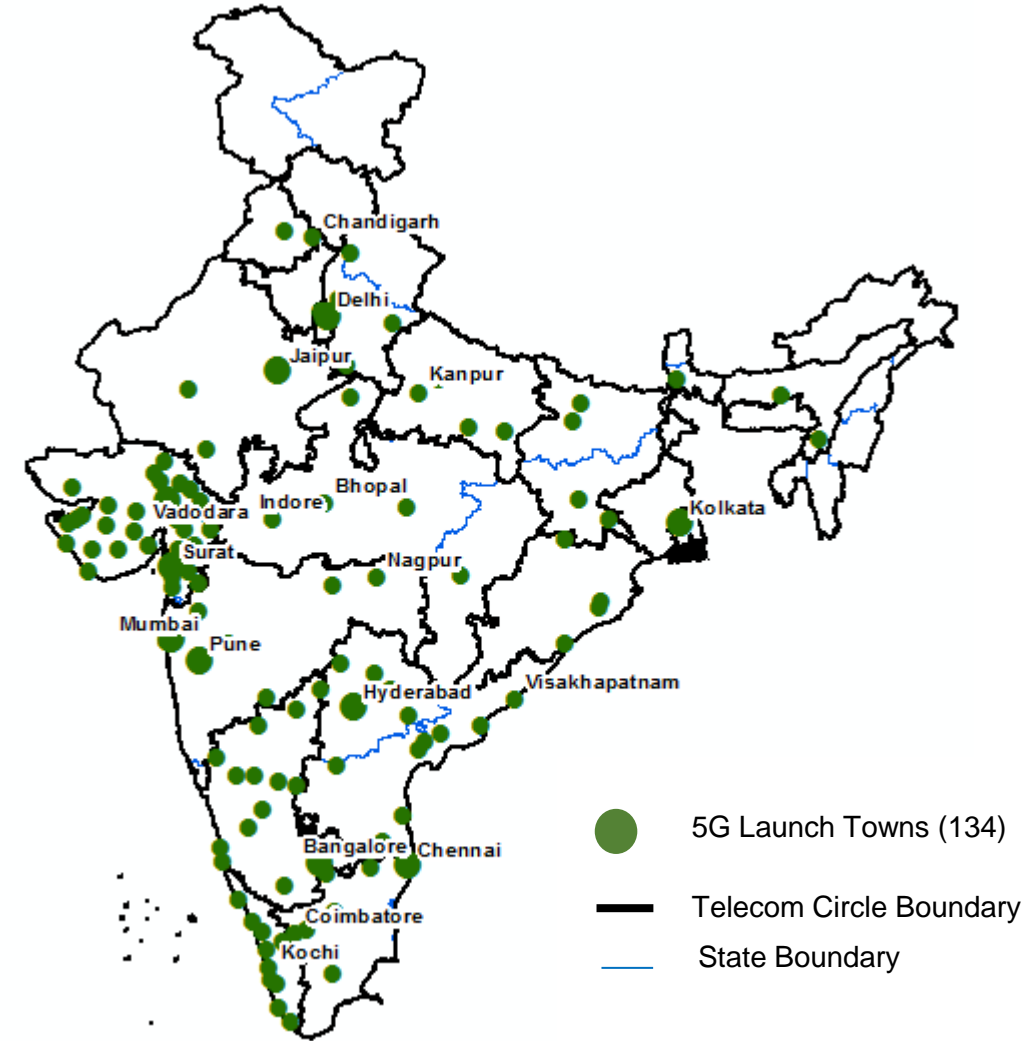


# 5G Coverage Leadership Established

**134 cities launched across 18 telecom circles**

**>25k sites deployed with six sectors**

**Consistent experience of >600 Mbps**



**Committed to complete pan India 5G rollout by December 2023**



## Home Broadband

- Seamless Wi-Fi 6 coverage
- Fixed Mobile Convergence
- Fixed Voice Services
- Centrex (Intercom)



## Connected TV

- Live TV with interactive multi-party conferencing
- OTT services
- Cloud Gaming
- AR/VR



## Smart Home Services

- Cloud PC Work and Study
- Smart Home with IOT
- Home Surveillance

## Enabling Smart Homes with 5G



Opportunity to disrupt broadband and entertainment at homes



# JPL Powered JioCinema Technology For FIFA WC

## Metrics underlining scale & strength

**114M+**

**Total Viewership**

**~80%**

**Mobile Viewership**

**12M+**

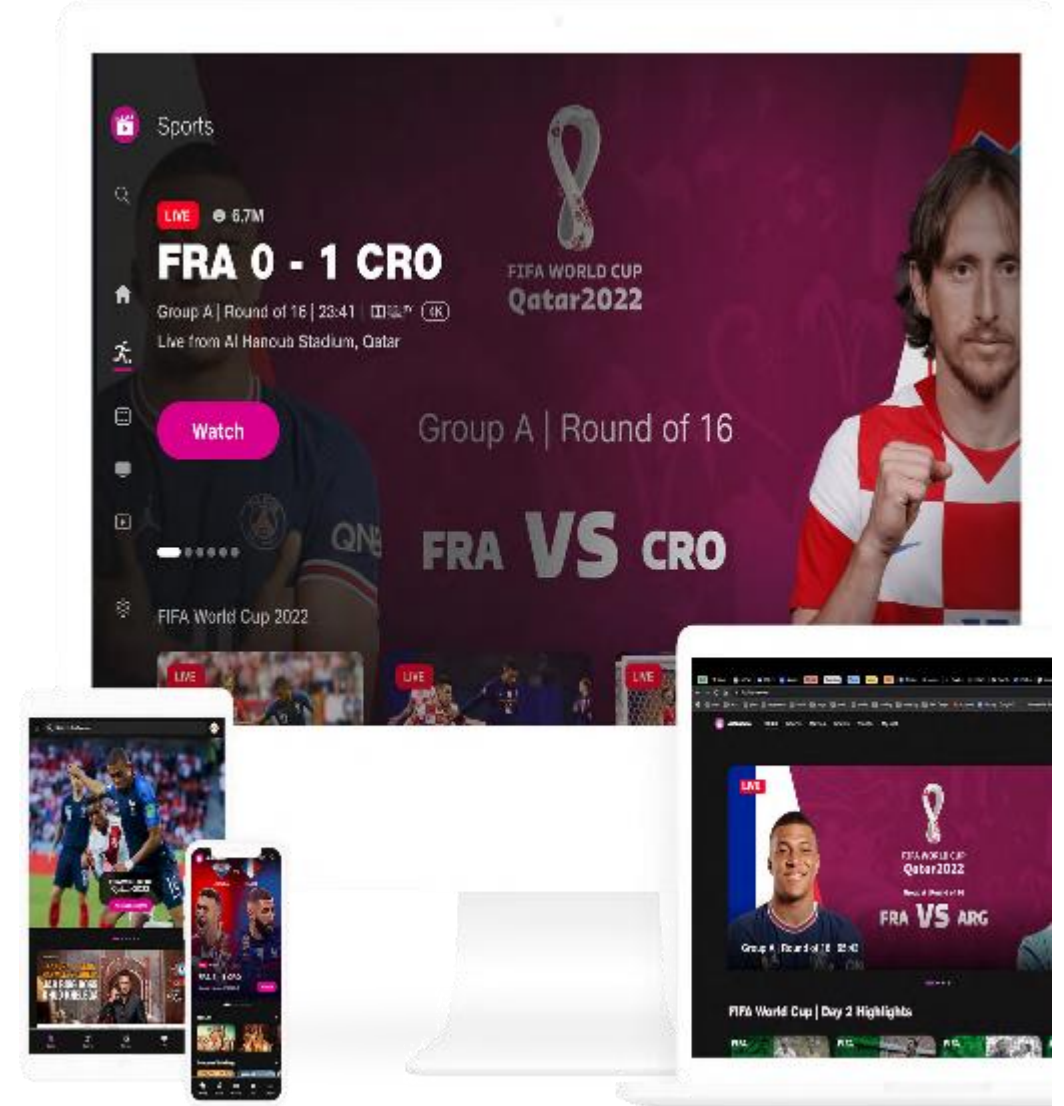
**Peak Concurrency  
(per sec)**

**34M**

**Peak DAUs**

**21Tbps**

**Peak Traffic Utilisation**



**Highest DAU and peak concurrency in India**

- Jio is consistently **leading industry net adds** for fixed broadband at home
- Quality of subscribers improving with **higher mix of postpaid and STB users**
- A channel for faster rollout in small to mid-sized towns with **lower build-out and customer acquisition cost by leveraging partners**
- More than **6 hours of daily active engagement on Jio STB**
- Higher data consumption has driven **~2x YoY increase in data traffic for fixed broadband**

**Rollout of infrastructure and LCO partnerships to accelerate growth**

# Pivoting To Industry Specific Propositions

## 1 Hospitality



**Room as a service** - offering connectivity, room entertainment, customer management solutions, PMS

## 2 BFSI



Single vendor-led integrated **Branch as a Service** offering e2e connectivity, VDI, IoT, LAN management

## 3 Contact Centers



Offering e2e solution covering both remote & in office agents, and infra on cloud

## 4 Coaching Institutes



Offering suite of Learning Management System, connectivity, and devices

## 5 Warehouse



**Warehouse in Box** - offering connectivity & IoT solutions to improve automation, efficiency & reliability

## 6 Small Manufacturing



Digitalization of Manufacturing Industry by adopting Industry 4.0

## 7 Cloud Management



Platform offering single pane of glass for managing different cloud environments

## 8 Hospitals



Offering solutions for digitization of small hospitals with integrated HIMS

## 9 Schools



Offering connected classrooms solutions and end to end school management systems

## 10 WFH Workforce

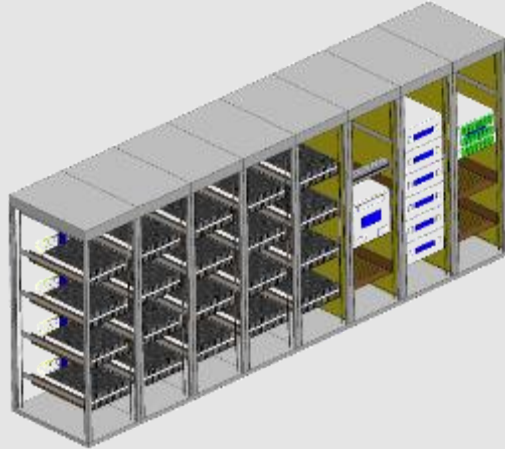


Offering high reliability connectivity with auto fallback and end to end security

**Moving from discrete products to integrated offering to drive growth**

## Temperature Hardened Design

### Jio MEC Rack



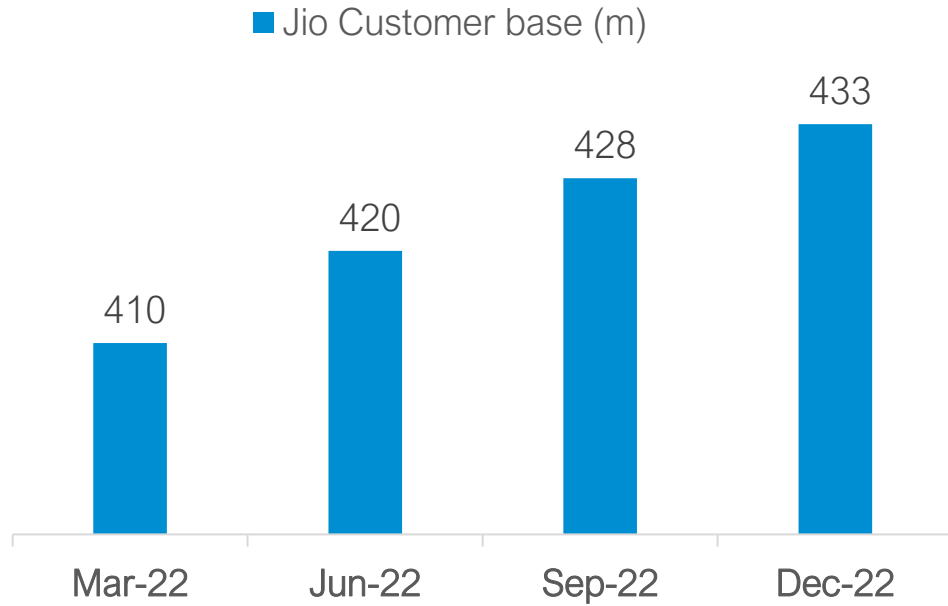
- Jio's Multi-Access Edge Compute (MEC) rack with Intelligent Edge Server Platform is a differentiated and **cloud-ready solution**, coupled with **central management platforms**
- Jio MEC server can be used to create non-air-conditioned, **low OPEX data centers**
- 50 to 100+ MEC servers in the shelter having only an **exhaust fan-based ventilation** system
- This mechanism is **sufficient to keep the MEC machines up and running 24x7**

Low OPEX substitute of the high OPEX air-conditioned data centers

- 1 Continued strong financial performance** by Jio Platforms Limited
  - Consolidated **Revenue** at **Rs 24,892 crore**, growth of **20.9% YoY**
  - Consolidated **EBITDA** at **Rs 12,519 crore**, growth of **25.1% YoY**
- 2 Healthy subscriber traction** with **total subscriber base of 432.9 million** as of December 2022
  - **ARPU** for the quarter at **Rs178.2**, up 17.5% YoY
- 3 Data traffic grows further to** 29.0 Exabytes, up 23.6% YoY
  - Per capita data consumption at 22.4 GB/ month
- 4 5G coverage expands to 134 cities** with pan India rollout target of December 2023
  - 25K+ sites deployed across 700MHz and 3500MHz bands with six sectors

**Focus on transformative 5G rollout in 2023**





**Overall subscriber market share leadership continues to grow** with gains across mobility and wireline

**Net gains on MNP** continue

Market share in overall broadband is well over **50%**

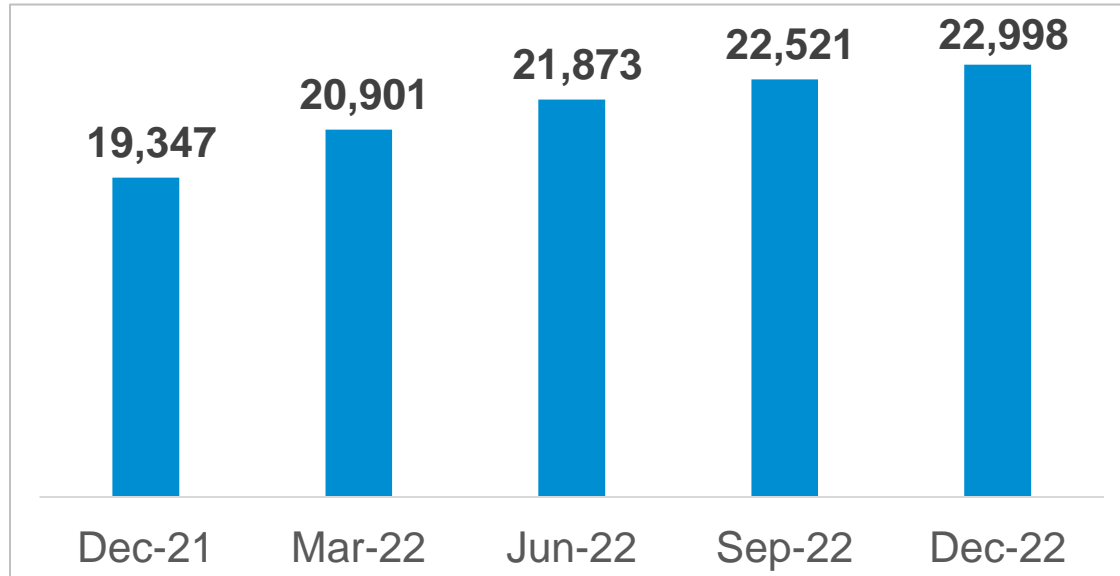
**5G rollout and FTTH momentum to accelerate share gains**

	3Q' 22-23	2Q' 22-23	3Q' 21-22
Total Customer base (million)	432.9	427.6	421.0
Net Customer addition (million)	5.3	7.7	(8.4)
ARPU (Rs/ month)	178.2	177.2	151.6
Total Data Consumption (crore GB)	2,895	2,823	2,343
Per Capita Data Consumption (GB/ month)	22.4	22.2	18.4
Voice on Network (crore mins per day)	1,382	1,339	1,250
Per Capita Voice Consumption (mins/ month)	985	969	901

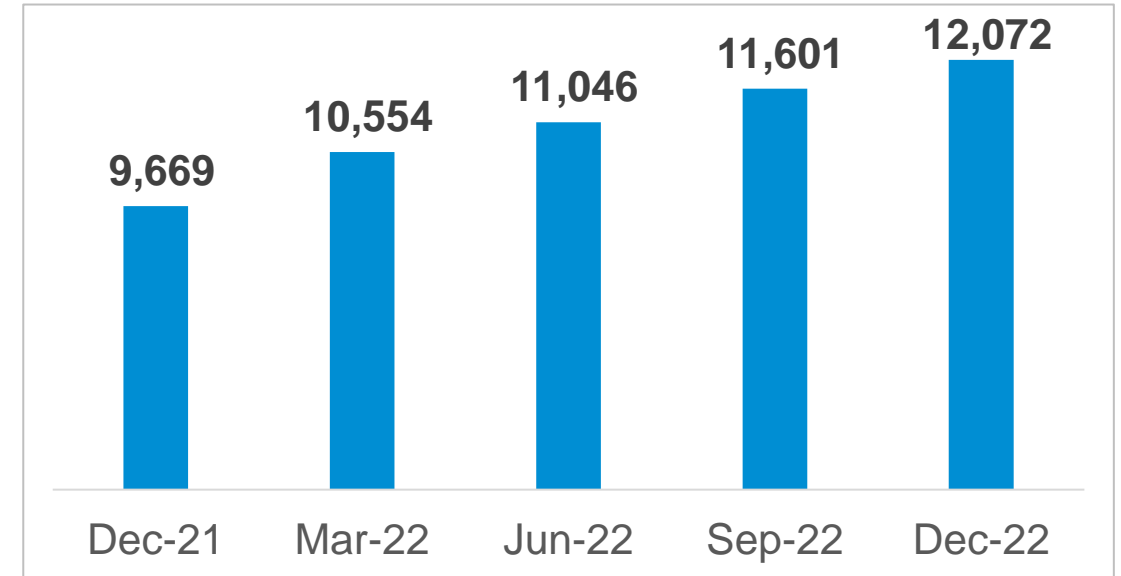
- Healthy gross addition and net customer addition of **34.2 million and 5.3 million, respectively**
- ARPU grows 17.5% YoY to **Rs 178.2** in Q3FY23
- Data traffic up **23.6% YoY to 29.0 Exabytes** during the quarter
- Per capita data and voice usage robust at **22.4 GB** and **985 min** per month

**Sustained customer addition and engagement**

## Operating Revenue (in Rs crore)



## EBITDA (in Rs crore)



- RJIL revenue up 18.9% YoY
- EBITDA margins increase to 52.5% leading to EBITDA growth of 24.9% YoY

Revenue growth with operating leverage driving margin increase

	JPL Consolidated		
	3Q' 22-23	2Q' 22-23	3Q' 21-22
Gross Revenue*	29,195	28,506	24,176
Operating Revenue	24,892	24,275	20,597
<b>EBITDA</b>	<b>12,519</b>	<b>12,011</b>	<b>10,008</b>
EBITDA Margin	50.3%	49.5%	48.6%
D&A	4,917	4,625	3,661
<b>EBIT</b>	<b>7,602</b>	<b>7,386</b>	<b>6,347</b>
Finance Costs	1,047	1,021	1,257
Profit before Tax	6,551	6,363	5,090
<b>Profit after Tax</b>	<b>4,881</b>	<b>4,729</b>	<b>3,795</b>

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

- **Operating revenue growth at 20.9% YoY** driven by consistent subscriber additions and ARPU increase
- **EBITDA growth of 25.1% YoY** with ~170bps YoY increase in margins to 50.3%
- **28.6% YoY** increase in reported net profit

**Strong growth in Revenue and EBITDA**

# Reliance Retail





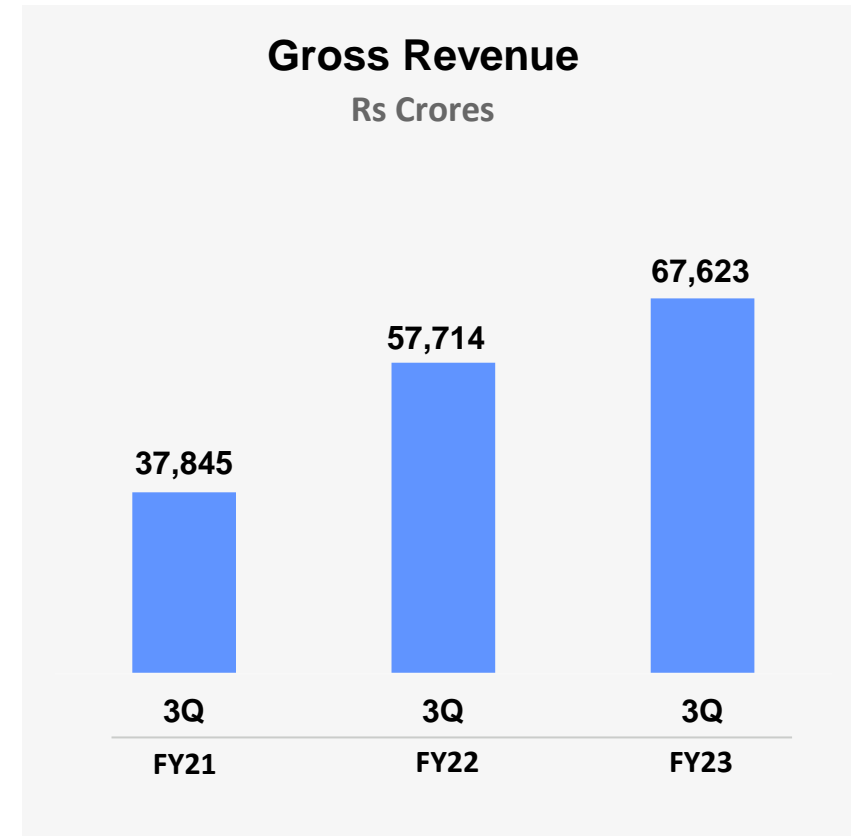
1. Operating environment maintained at normative levels as impact of covid wanes
2. Highest ever footfall at 201 million across consumption baskets
3. Growth across stores and digital commerce channels with normalization of consumer spending habits
4. Consumer sentiment cautiously optimistic; discretionary spends impacted post festival season

**Demand momentum sustains during festive period**

1. Business maintains revenue growth momentum with broad based growth across consumption baskets
2. Operating leverage and efficiencies drive EBITDA margin improvement
3. Serving customers at scale – registered customers at 235 million, up 30% YoY
4. Customer engagement grows 30% YoY with over 265 mn transactions
5. Continued expansion with addition of 789 new stores; added 6 mn sq ft, crossing a milestone of 60 mn sq ft area
6. Digital and new commerce deliver strong performance – Daily orders up 30% YoY and merchant base scales up 70% YoY
7. Strengthened capabilities with acquisition of V Retail (Centro Footwear), Sosyo, Lotus Chocolate

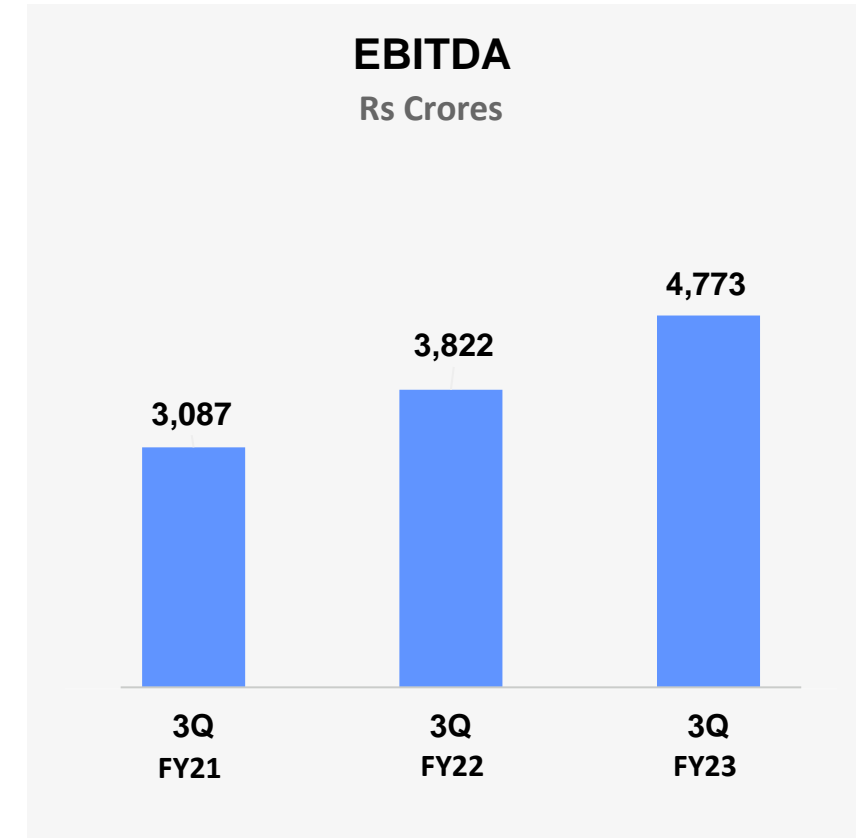
**Well rounded growth across all baskets and channels**

1. Business continues steady growth across consumption baskets, up 17% YoY
  - ✓ Grocery grows 65% YoY
  - ✓ Consumer Electronics excl. Devices grows 45% YoY
  - ✓ Fashion and Lifestyle grows 13% YoY; impacted by delay in winter
  - ✓ Digital + New Commerce grows 38% YoY; contribution at 18% of revenue



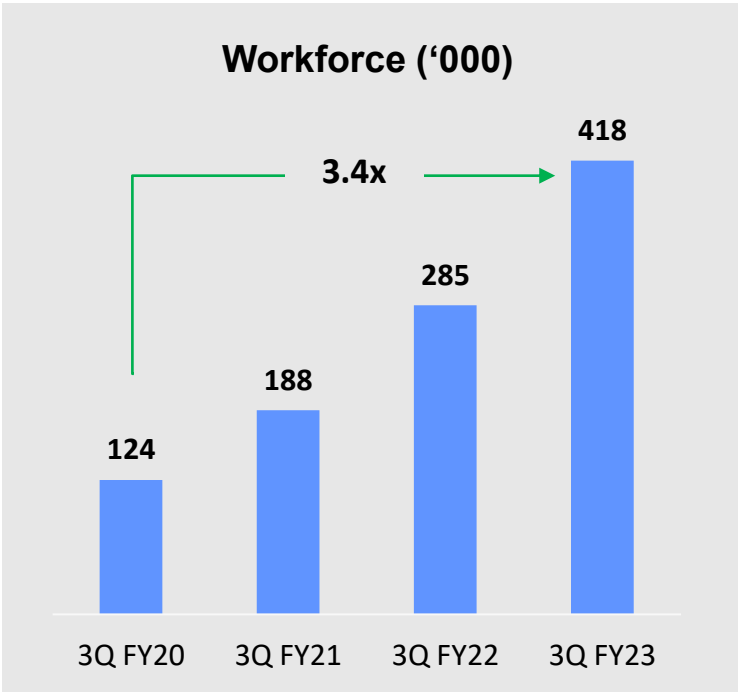
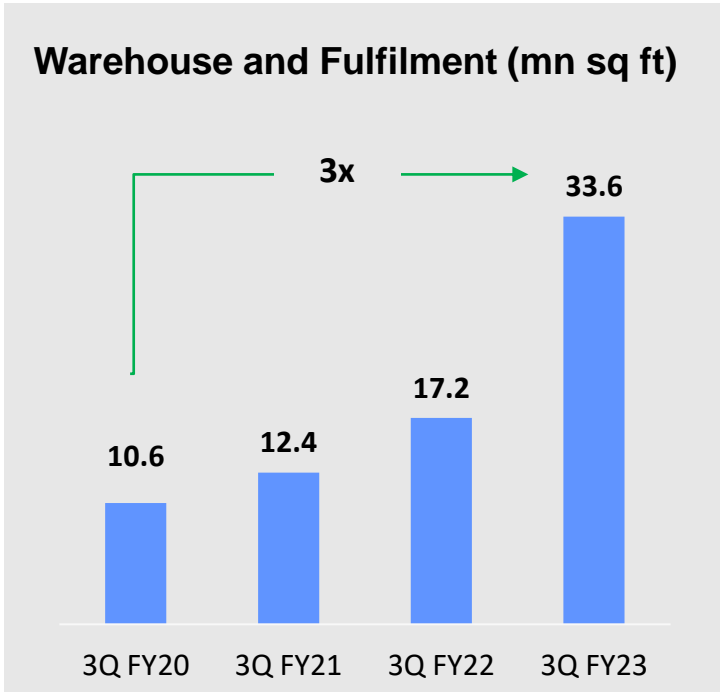
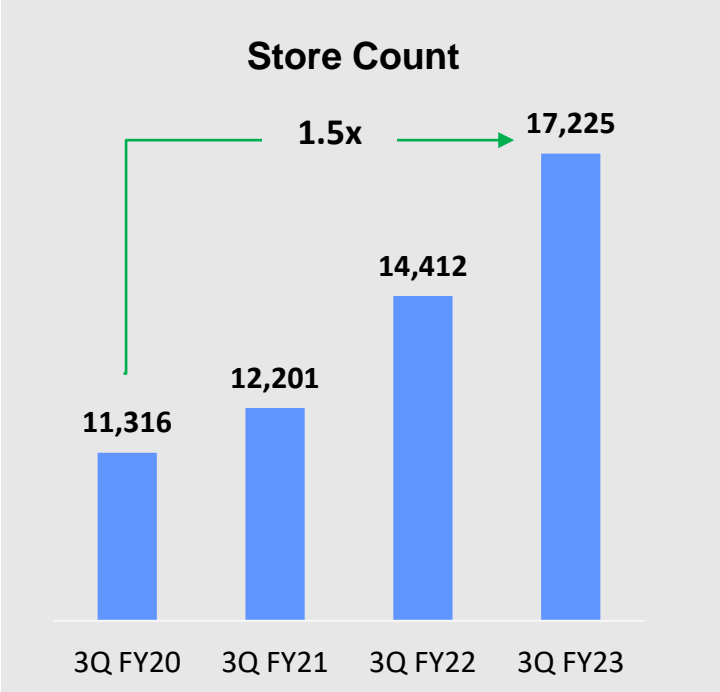
**Broad based growth across all consumption baskets**

1. EBITDA performance; up 25% YoY
  - ✓ EBITDA margin at 7.9%, up 40 bps YoY
2. EBITDA margin from operations at 7.7%, up 70 bps YoY



Favorable mix, operating leverage and efficiencies drives margin expansion

# Scale up Across Channels





In Rs Crore

2Q FY23	% Growth Q-o-Q	Parameter	3Q FY23	3Q FY22	% Growth Y-o-Y
64,920	4%	Gross Revenue	67,623	57,714	17%
57,694	4%	Net Revenue	60,096	50,654	19%
4,286	9%	EBITDA from Operations	4,657	3,522	32%
7.4%	+30 bps	<i>EBITDA Margin from Operations (%)</i>	7.7%	7.0%	+70 bps
118	-2%	Investment Income	116	300	-61%
4,404	8%	Total EBITDA	4,773	3,822	25%
2,305	4%	Profit After Tax	2,400	2,259	6%

\*EBITDA Margin from Operations is calculated on net revenue


**Strong revenue and profit performance delivered**




1. Highest quarterly performance by stores, driven by higher footfalls and ABVs
2. Market leading performance during Diwali, ~40%YoY led by offers and financing schemes
3. Double digit growth across Phones, TV and Appliances
4. Digital Commerce revenue continues to grow, gross orders up 5x, traffic grows 35%
5. Own brands / PBG sales up 2x YoY; Expansion of electricals, small domestic appliances in new markets
6. JMD grew 55% QoQ led by phones & large appliances; merchant base up 12% QoQ

**Industry leading performance delivered**

## Apparel & Footwear

- 
1. Offline business posts best quarter led by festivals and wedding season
  2. Broad-based growth across categories – Men’s formals, women’s Indian wear, kids wear, footwear does well
  3. Continued focus on strengthening own brands; Avaasa, Netplay, DNMX, Teamspirit outperform

## AJIO

- 
1. AJIO achieves highest quarterly revenue driven by festive sales, expands total customer base by 33% YoY
  2. Catalogue grows 62% YoY with 1.2 mn+ live options; 92 new brands added

**Festive events and promotions drive growth**

## Partner Brands

1. Sustained performance with 38% YoY revenue growth; mall stores continue to drive traffic
2. AJIO Luxe booked revenue up 3x YoY; over 470 brands with 45k+ options live
3. Strengthened omnichannel experience; launched mono-brand sites for Tumi, Hunkemoller, Pottery Barn



## Jewels

1. Growth driven by festive sales and wedding season
2. Leveraged design capabilities to strengthen portfolio with new collection launches
  - ✓ Nitara (kids), Diamond Delight and Valley of Flower (Silver)
3. Strong festive performance, 38% YoY growth on Dhanteras



**Continued momentum in Partner Brands and Jewels**

## Lingerie

1. Revenue growth at 62% YoY across brand portfolio - Zivame, Amante, Clovia
2. Continued focus on retail expansion through SIS and EBOs
3. Strengthens product portfolio, launched curvy styles, maternity range, minimisers, latch brief



## Urban Ladder

1. Revenue growth up 21% YoY led by festivals and wedding season
2. Impactful execution of 'Full House Sale' & 'Very Merry Sale' drives 30% higher traffic
3. Enhances customer experience by wider product offering; catalogue up by 2.5X YoY
4. Launched end-to-end interior design solution



Leveraging new product development capabilities to serve customers



## Offline and Digital Commerce

1. Grocery stores maintains growth momentum with double-digit LFL growth
2. Strong customer engagement through Bestival festive sale; sets new high with revenue up 74% YoY
3. Premiumization of assortment improves customer experience and drives higher ABV
4. Broad based growth in categories led by F&V and Staples, General merchandize, Packaged food, HPC
5. Digital commerce continues steady growth led by increase in traffic; Milkbasket revenue up 2x YoY

## New Commerce

1. Robust revenue growth continues; Continued focus on new merchant onboarding across geographies
2. Strengthen supply chain capabilities with addition of 11 new fulfilment centers

**Steady business growth**



1. Consumer brands grows ~2X, all categories perform well
2. Focus on catering to regional tastes; new variants launched in processed foods, beverages and spices
  - ✓ Launched Runner Energy Drink in 6 flavors; Joyland Masala Kairi (confectionary)
3. Independence brand launched in staples category; expansion underway
4. Acquisition of Sosyo and Lotus Chocolate to further bolster brand portfolio

**Strengthening brand portfolio to cater to the widest customer base**



1. Broad based growth across all town classes; Tier II and beyond towns growing fastest
2. *'JioMart on Whatsapp'* expands active customer base 37% MoM, orders up 9x since launch
3. Catalogue expanded by 71% QoQ; Uptick in non-grocery category contribution
4. Seller base up 83% QoQ; Integrating SMEs and artisans to augment product offerings
5. Strong performance during Diwali – 2.5x growth in traffic, 3x app installations and 4x growth in daily active users



01 Top Prescribed Companies



[Click here to Order Now](#)

1. Revenue up ~2x YoY driven by growth across all channels
2. Digital commerce orders up 67% YoY; hyperlocal grows ~4x YoY
3. Successful execution of marketing events drive customer engagement and traffic
4. New Commerce revenues up 5x YoY; operations expanded to 2,600+ cities

**Business scales across all channels**



Oil & Gas



# Oil and Gas Segment Performance – 3Q FY23

(in ₹ Crore)	3Q FY23	change QoQ	change YoY
Revenue	<b>4,474</b>	16.1%	74.8%
EBITDA	<b>3,880</b>	22.4%	90.9%
EBITDA Margin (%)	<b>86.7%</b>	+440 bps	+730 bps
<b>Production - BCFe (RIL share)</b>			
KGD6	<b>41.9</b>	1.7%	5.3%
CBM	<b>2.3</b>	-4.2%	-8.0%
<b>Price Realisation (\$/MMBTU)</b>			
KGD6 (GCV)	<b>11.3</b>		
CBM (GCV)	<b>20.9</b>		

1. Robust EBITDA growth on QoQ and YoY basis
2. 14.8% higher KGD6 gas price realization on QoQ supported EBITDA growth
3. Sustained production
  - ✓ KGD6 average ~19 MMSCMD
  - ✓ CBM average ~ 0.70 MMSCMD

**Sustained production and better realization led to strong EBITDA growth**



# KGD6 - MJ Project on Track

1. Phase-II Drilling & Completion campaign for Production hole drilling, Lower & Upper Completions in progress
2. Floating Production Storage and Offloading (FPSO) currently in field location
3. FPSO hook-up and offshore testing currently underway, to be followed by pre-commissioning and commissioning activities
4. Production expected to commence in 4Q FY23



**MJ FPSO Hookup & Field Installation Pictures**

**With commissioning of MJ field, KGD6 fields expected to deliver ~30 MMSCMD in FY24**

## 1. Global Gas/LNG prices cool off

- ✓ Mild weather, consumption curbs, muted Asia demand softened gas market
- ✓ Global LNG demand grew by ~3.8% in 2022 led by Europe
- ✓ China LNG imports down to ~69 MMT in 2022 v/s 80 MMT in 2021
- ✓ European gas Storages at 83% currently (v/s 5-year average of 69%), with high flows from Norway/new FSRU's in Netherlands, Germany and Finland
- ✓ Uncertainty on EU restocking, China demand to keep market volatile

## 2. India gas market Scenario

- ✓ LNG import reduced on higher domestic gas availability, high prices

## 3. Indian Domestic Gas Prices increased as per the policy formulae

- ✓ Dr. Kirit Parekh Committee submitted report on domestic natural gas pricing, recommending removal of Ceiling price for HPHT gas from Jan 1, 2026
- ✓ Ceiling price for KGD6 (R-Series/Sats) at ~\$12.46/MMBtu for 2H FY23



\$/MMBtu	Avg. DES West India LNG #	Domestic Ceiling Price
April'20 to Sept'20	2.39	5.61
Oct'20 to Mar'21	7.54	4.06
April'21 to Sept'21	9.78	3.62
Oct'21 to Mar'22	28.02	6.13
April 22 to Sep'22	32.59	9.92
Oct 22 to Dec 22	34.84	12.46

# Average Settled Prices for assessment period for the relevant months

**Gas price realization expected to remain high in the near-term**

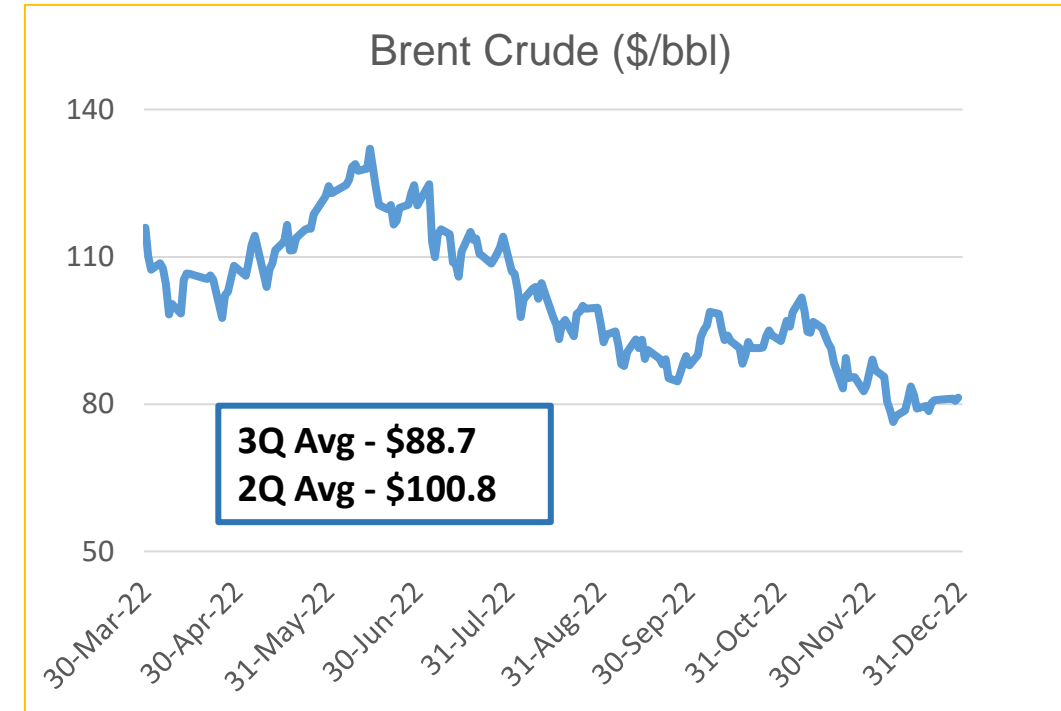
# Oil to Chemicals (O2C)





# Energy Markets Softened QoQ

1. Avg. crude prices declined 12% QoQ to \$88.7/bbl
  - ✓ Demand concerns on recession fear in EU and USA
  - ✓ Better-than-expected Russian supply
2. LNG prices declined 34% QoQ to \$30.7/MMbtu
  - ✓ Europe well stocked ahead of winter (at 95% of storage capacity at peak)
  - ✓ Relatively mild winter in Europe during 4Q CY22
3. US ethane prices declined 29% QoQ following drop in HH gas price (-23% QoQ) and reduced cracker demand
4. Benchmark regional refining margins lower QoQ
  - ✓ Light distillates and FO cracks remained weak while tight middle distillate markets supported cracks



**Demand concerns weighed on energy markets**

(in ₹ Crore)	3Q FY23	change QoQ	change YoY
Revenue	144,630	-9.4%	10.0%
EBITDA	13,926	16.4%	2.9%
EBITDA Margin (%)	9.6%	+210 bps	-70 bps

1. QoQ improvement in EBITDA, despite weak chemical margins led by:
  - ✓ Strength in middle distillate cracks
  - ✓ Operational flexibility enabling fuel, feedstock and yield optimization

1. YoY segment performance led by
  - ✓ Continued strength in middle distillate cracks
  - ✓ Advantaged feedstock sourcing
2. Segment performance constrained by
  - ✓ Weak downstream chemical margins with subdued global demand and excess supply
    - Polymer margins declined 26-44% YoY
    - Polyester chain margins declined 23% YoY
  - ✓ Lower throughput with planned M&I activity
  - ✓ SAED of ₹ 1,898 crore

**Strong performance on elevated middle distillate cracks, feedstock and yield optimization**

# Business Environment (3Q FY23) - Demand and Utilization

## Global Oil Demand

**100.5 mb/d**

↓ 0.4 mb/d YoY

## India Oil Demand

**56.9 MMT**

↑ 7% YoY

## India Polymer Demand

**4.2 MMT**

↑ 8.0% YoY

## India Polyester Demand

**1.7 MMT**

↑ 11.0% YoY

## Global Refinery Operating Rate

**78.2%**

↓ 40 bps QoQ

## Global Cracker Operating Rate

**84.5%**

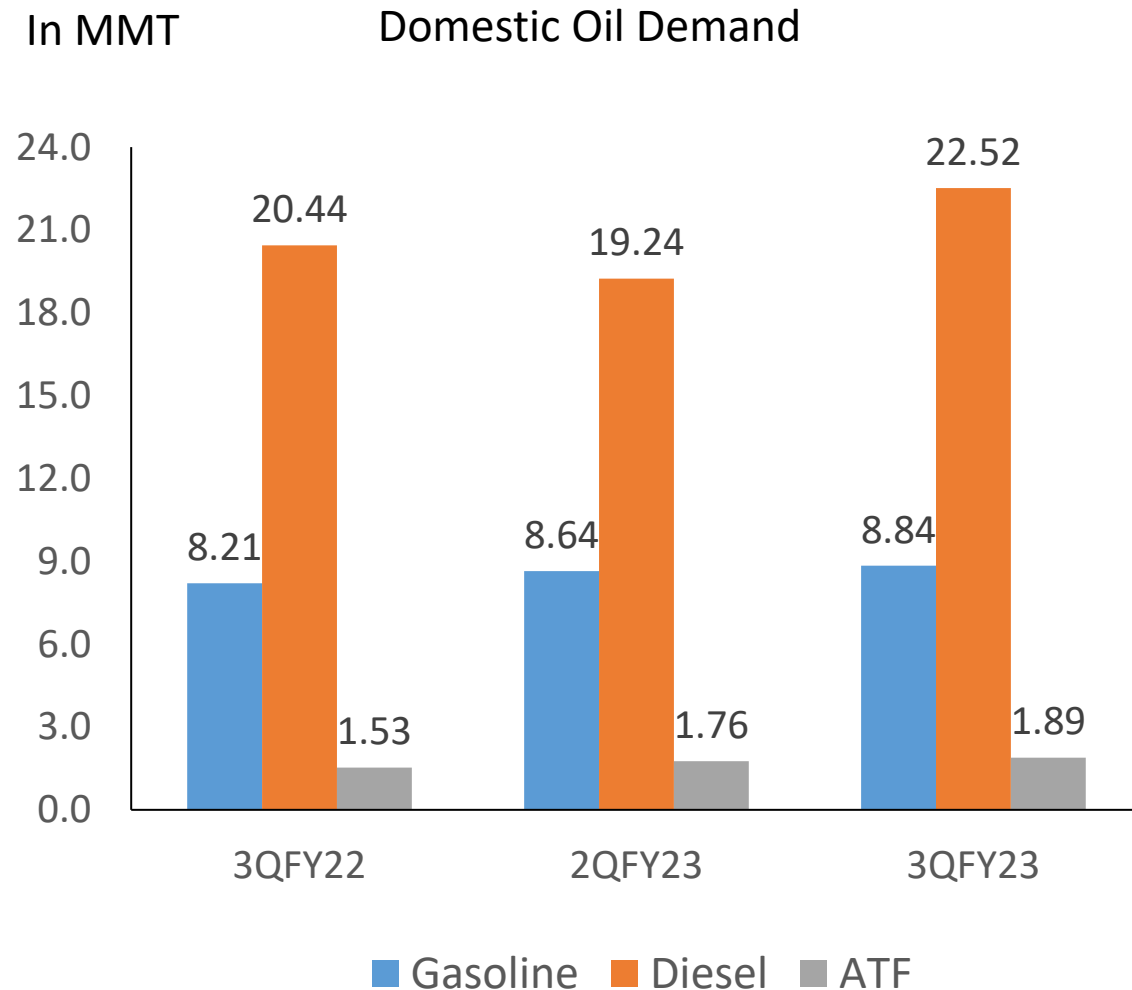
↓ 70 bps QoQ

1. Global oil demand declined marginally on YoY
  - ✓ Slower demand from OECD countries offset resilient demand from Middle East, Africa and Asia (excl. China)
  - ✓ High gasoil, jetfuel demand offset lower gasoline demand
2. YoY strong oil, polymer and polyester demand in India
  - ✓ Continued revival in economic activity, infrastructure rollout and festive season
3. Global refinery operating rate marginally lower QoQ
  - ✓ Winter storm in US/Canada in Dec'22
  - ✓ Strike in EU offset by ramp-up in new capacities
4. Global cracker operating rate decreased marginally due to higher planned shutdown

**Firm domestic demand across fuels and downstream products**



# Domestic Environment 3Q FY23 – Oil Demand

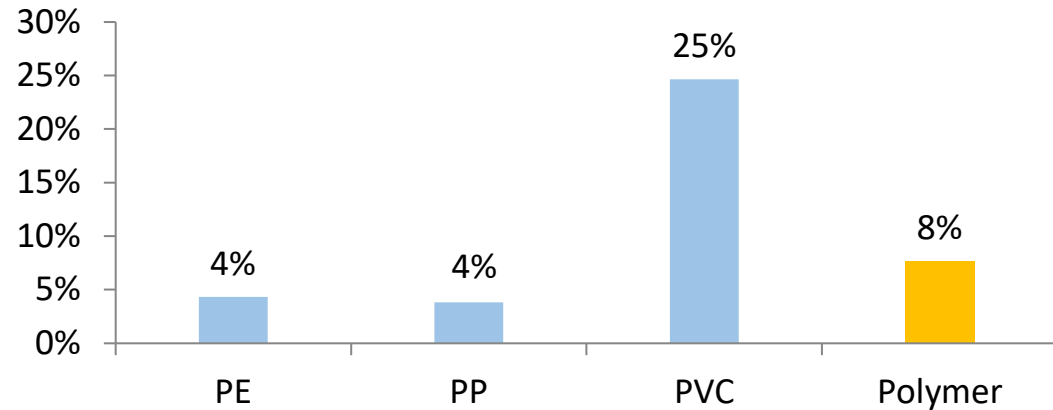


1. Oil demand at 56.9 MMT, up 7% YoY and 8.1% QoQ
2. Gasoline demand up 7.7% YoY with
  - ✓ Higher automobile sales
  - ✓ Continuing momentum in tourism, increased mobility in festive season
3. HSD demand up 10.2% YoY
  - ✓ Resilient farm sector demand
  - ✓ Positive momentum in industrial and mining activities
4. ATF demand up 23.5% YoY
  - ✓ Domestic air traffic above pre-covid level
  - ✓ International traffic higher YoY with easing of restrictions

**Demand supported by increased mobility with tourism and festive season**

# Domestic Environment – Polymers and Polyester Demand

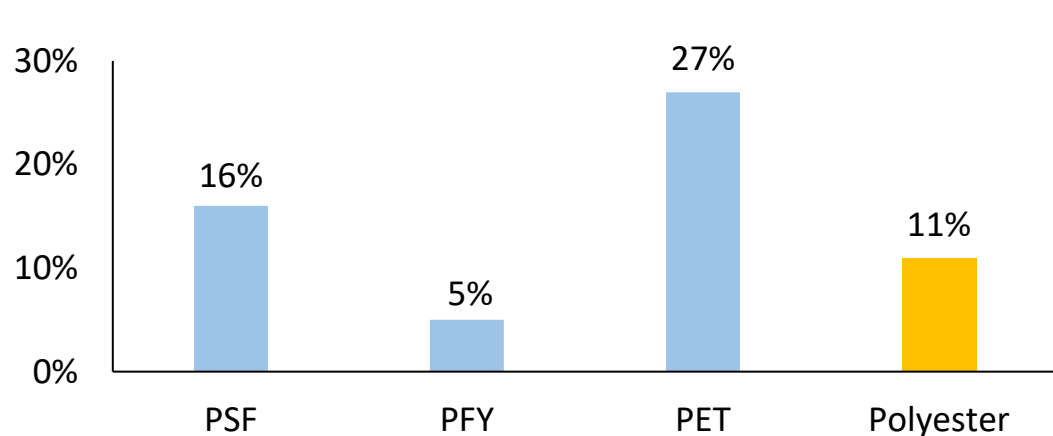
## Polymer India Demand Growth YoY



### 1. Polymer demand up 8% YoY

- ✓ PVC demand improved 25% led by healthy pipes demand from agriculture and infrastructure segment
- ✓ PP and PE demand improved with demand growth from infrastructure, health and hygiene, consumer durables, automotive and food packaging

## Polyester India Demand Growth YoY

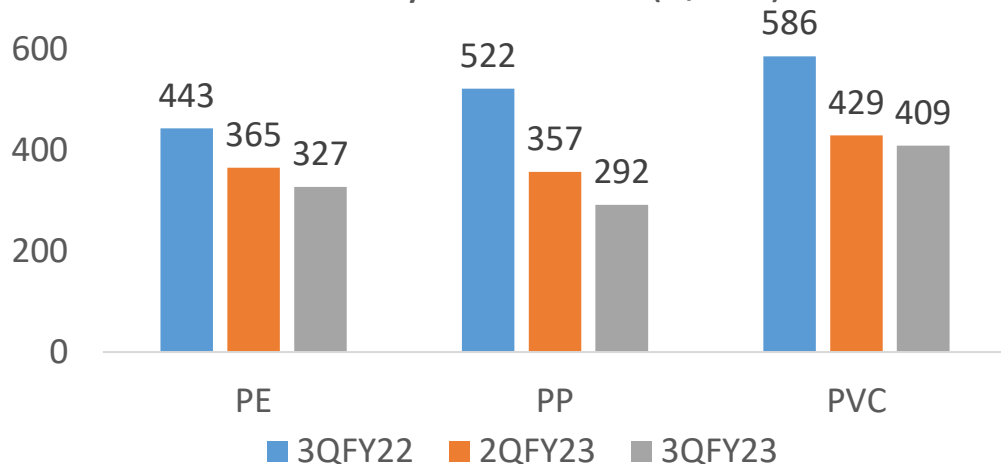


### 2. Polyester demand up 11% YoY

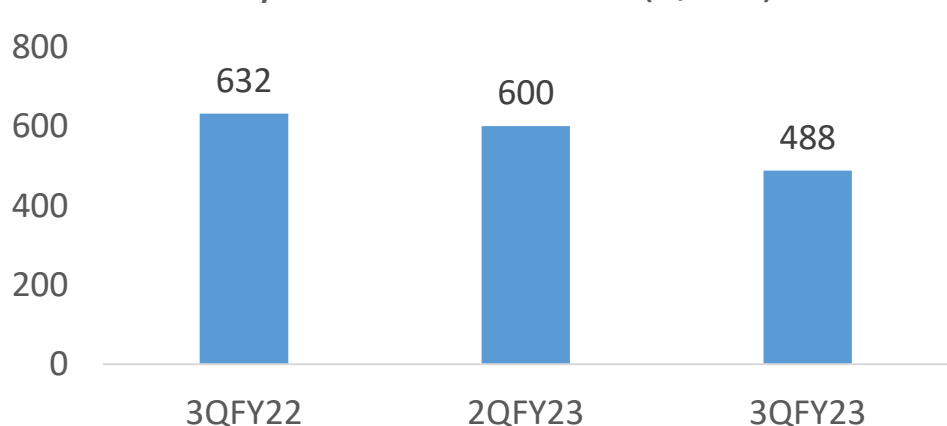
- ✓ PSF demand improved 16% due to relatively high cotton prices, wedding season
- ✓ PET demand improved 27% on account of higher beverages segment demand and low base effect

**Positive momentum in domestic demand**

Polymer Deltas (\$/MT)



Polyester Chain Deltas (\$/MT)



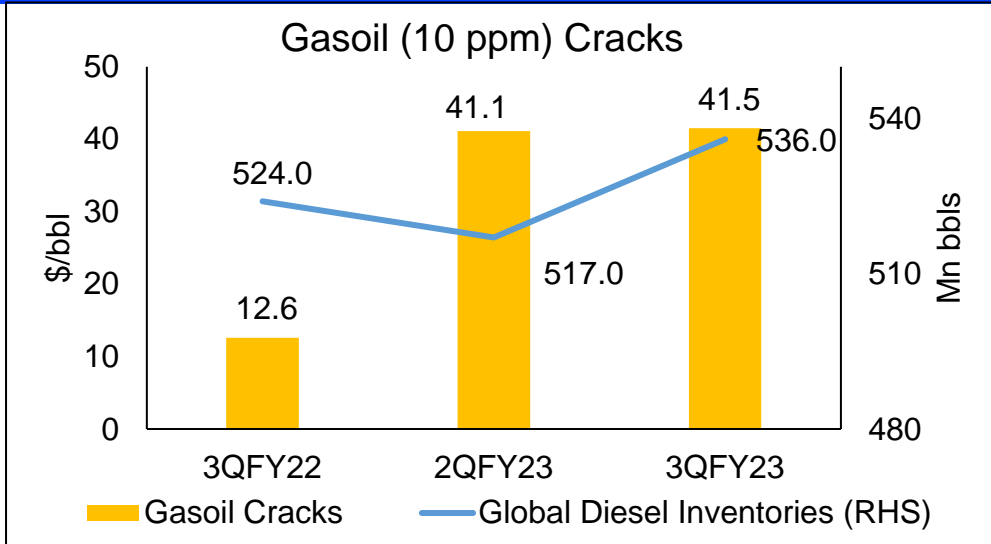
## 1. QoQ polymers deltas down 5%-18%

- ✓ Polymers prices declined 7%-15% due to lower global demand
- ✓ Margin contraction led by decline in product prices with relatively stable feedstock Naphtha prices (-4% QoQ)
- ✓ RIL continued to optimize Naphtha and Ethane (fuel and feedstock) economics

## 2. QoQ polyester chain delta down 19%

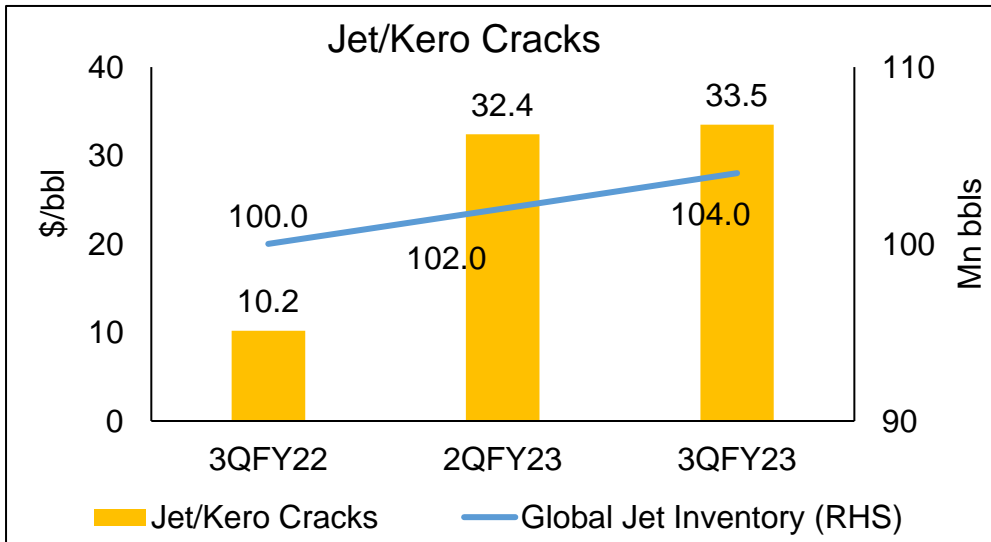
- ✓ PX and MEG deltas remained under pressure due to new capacity additions and lower downstream demand in China
- ✓ PTA margins remained range bound amid lower demand and volatile price environment
- ✓ Polyester downstream deltas declined by 2%-23% amid challenging Covid situation in China

**Volatile price environment and weak China demand impacted downstream margins**



## Gasoil

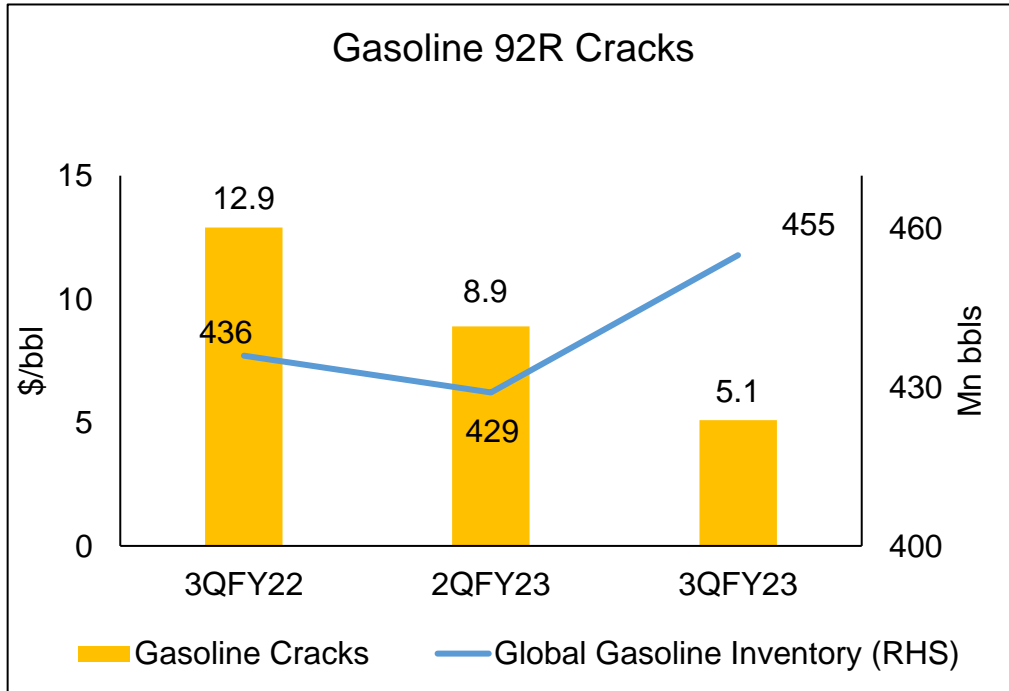
1. Global demand up ~0.5 mb/d QoQ to 29 mb/d - led by Asia
2. Cracks remained elevated in 3Q FY23
  - ✓ High gas prices and strike in French refineries pushed gasoil cracks higher
  - ✓ Inventory levels higher QoQ, but still below 5-year average
  - ✓ Increased China export quotas and new refining capacity additions eased supply concerns, capped further rise in cracks



## ATF/Kero

1. Global Jet/kero demand remained flat QoQ at 6.5 mb/d
2. Jet fuel cracks increased marginally QoQ
  - ✓ Strong air passenger traffic in Asia-Pac region, partially offset by decline in EU
  - ✓ Reduced jet yield in favor of kerosene for winter heating season

**Demand from Asia Pacific supported middle distillate cracks**



## Gasoline

1. Global gasoline demand declined by ~0.5 mb/d QoQ to 25.8 mb/d with seasonally lower demand in Europe and US
  - ✓ India demand growth remained positive at 2.3% QoQ
2. Gasoline cracks remained under pressure due to -
  - ✓ Higher supplies from China and Middle East
  - ✓ High build-up of inventories with gasoline produced as a co-product to the advantaged gasoil production

**Increased refining runs in Asia boosted Gasoline supply leading to lower cracks**

Feedstock	3Q FY23	2Q FY23
	(Vol in MMT)	
Throughput	18.8	18.6
Production meant for sale	3Q FY23	2Q FY23
	(Vol in MMT)	
Transportation fuels	10.2	9.9
Polymers	1.4	1.4
Fibre Intermediates	0.7	0.9
Polyesters	0.6	0.6
Chemicals and others	3.3	3.4
<b>Total</b>	<b>16.2</b>	<b>16.2</b>

1. Throughput normalized after planned M&I shutdown of primary and secondary units in Sep-Oct'22
2. Strong OSPs altering crude sourcing, trade flows
3. Gasoil export netback maximized capturing market arbitrage
4. Strong reforming margins captured by
  - ✓ Sourcing external feed stock
  - ✓ Optimizing aromatics production given low PX-Naphtha spreads and better gasoline blending economics
5. Cracker feed-mix optimized based on feed v/s fuel economics

**Feed-mix and product mix optimized to capture margin in volatile markets**



## Demand

1. Global oil demand estimated to grow by 1.9 mb/d in 2023 – led by US, China and India
2. China demand expected to improve with relaxation in Covid related restrictions
3. India Polyester and Polymer demand expected to track economic growth

## Margin

1. Effective net global refining capacity addition expected at <1 mb/d as some projects are likely to be commissioned in 2H CY2023 – to support margins, but limit upside
2. Middle Distillate cracks to remain firm on lower inventories, seasonal demand and impending loss of Russian supply
3. Polymer margins expected to improve with revival in demand from China, EU and USA

## Challenges

1. Economic headwind due to rising interest rates and contracting PMIs to impact oil demand
2. Higher Chinese export quotas could bring more supplies in the region despite expected higher Chinese domestic demand

# Summary



1. Robust earnings growth with all operating segments delivering higher contribution
2. Proactive resource management helped contain impact of hike in policy rates by Central Banks
3. Tight refined product markets offset weakness in regional downstream chemical margins
4. Strong growth momentum in consumer verticals
  - ✓ Retail growth led by festive demand, strong momentum in e-commerce and continued store additions
  - ✓ Steady net subscriber additions and rising data usage, leading to higher ARPU in Jio
5. Jio True 5G now available in more than 100 cities, stepping up the speed and intensity of rollout across nation
6. Production at KG D6 – MJ field to commence in 4Q FY23 - to deliver ~30 MMSCMD in FY24
7. Focus on revolutionizing Green Energy sector with fast-track implementation of Giga factories at Jamnagar

Thank You