



TRANSIQUE
YOUR TRANSACTION CATALYST

Industry Insights - Financial Performance & Valuation Trends

Oil, Gas & Consumable Fuels Industry
October 23

Background (Coverage & Approach)

Transique Corporate Advisors takes immense pleasure in presenting its Eleventh Industry Insight report capturing the financial performance and valuation trends over 3 year period of “Oil, Gas & Consumable Fuels Industry” and its Sub Industries including Trading - Gas, Oil Storage & Transportation, LPG/CNG/PNG/LNG Supplier, Gas Transmission/Marketing, Refineries & Marketing, Oil Equipment & Services, Lubricants, Oil Exploration & Production, Coal and Offshore Support Solution Drilling. These trends are based on the data of last two audited financial years (FY 2020-21 and FY 2021-22) and trailing twelve months (TTM) consolidated financials as on July 2023.

The purpose of this “Oil, Gas & Consumable Fuels Industry Insight Report” is to provide an executive summary of Oil, Gas & Consumable Fuels Industry including its emerging Industry trends and Investment opportunities, macro understanding of the financial performance and movement in the median valuation multiples of companies operating in Oil, Gas & Consumable Fuels Industry and its Sub-Industries.

For preparation of this Oil, Gas & Consumable Fuels Industry Insight report on we have analysed 65 companies listed on NSE/BSE. After applying our proprietary filtration criteria for eliminating the outliers and adjusting for Infrequently Traded Companies, we have done detailed analysis of 27 companies which has been summarised in this report.

We hope this Industry Report Series: Financial performance and Valuation trends would be of use to the Corporates, Investors and Professionals. If you require any guidance or support or have any feedback, you may write to us at info@transique.in

To read about more such Industry Insights and Valuations of 21 Industries and 193 Sub Industries, click here: <https://www.transiqueadvisors.com/transique-insight/>

Executive Summary : Oil, Gas & Consumable Fuels Industry

Background

The oil and gas sector is among the eight core industries in India and plays a major role in influencing the decision-making for all the other important sections of the economy. India is the world's third-largest energy consumer globally. India's natural gas imports increased at a CAGR of 3.2% between FY16 and FY23. The current share of India in global primary energy consumption is 6.1%.
By 2023-24, India is going to be 20% blending ethanol in our petrol products. Government promoting use of ethanol produced from sugarcane and food grains under EBP Programme.

Contribution to GDP

Approximately 8%

Employment Generation

Approximately 2 million people

Key Achievements

In Union Budget 2022-23, the customs duty on certain critical chemicals such as methanol, acetic acid and heavy feed stocks for petroleum refining were reduced. As of December 31, 2022, Gas Authority of India Ltd. (GAIL) had the largest share (58.72% or 19,455 kms) of the country's natural gas pipeline network (33,131 kms).

Present Scenario

India's crude oil production in FY23 stood at 29.2 MMT. In FY23, crude oil imports stood at 4.67 MBPD. A total of 22,335 km of the natural gas pipeline is operational and about 12,995 km of the gas pipeline is under construction as of December 2022. As on 31.01.2023, 10.5 mn domestic PNG connections and 5,118 CNG stations have been established. In FY23, the oil sector's total installed provisional refinery capacity stood at 255.2 MMT, and IOC emerged as the largest domestic refiner with a capacity of 72.4 MMT. As of May 1, 2023, there were 25,384 LPG distributors (under PSUs) in India.

Growth Drivers

In Union Budget 22-23, INR 10,000 crore for compressed bio-gas plants and 300 community and cluster-based biogas plants. 'SATAT' scheme on Compressed Bio Gas (CBG) encourages entrepreneurs to set up CBG plants, produce & supply CBG to Oil Marketing Companies (OMCs) for sale as automotive & industrial fuels.
Any entity can set up LNG stations in any Geographical Area in India even if they do not have a City Gas Distribution license

Future Outlook

Oil demand in India is projected to register a 2x growth to reach 11 million barrels per day by 2045.
Diesel demand in India is expected to double to 163 MT by 2029-30, with diesel and gasoline covering 58% of India's oil demand by 2045.
Consumption of natural gas in India is expected to grow by 25 billion cubic metres (BCM), registering an average annual growth of 9% until 2024.

Investment Opportunities

- Under the Hydrocarbon Exploration & Licensing Policy (HELP), the exploration acreage has now reached to about 2,15,000 sq. km. after 4 successful bidding rounds of Open Acreage Licensing Programme (OALP). The future exploratory work commitment comprises of the following:
 - 29,270 line km of 2D Seismic Survey
 - 43,272 square km of 3D Seismic Survey
 - 369 Exploratory Wells
 - 290 core analysis to establish Shale Resources

These commitments have a potential to generate an investment of about USD 2.35 Bn in exploratory work alone.

- Under the 2G Ethanol Programme, Oil Marketing Companies (OMCs) are in the process of setting up 12 2G bio-refineries for production of ethanol with an investment of about USD 1.33 Bn.
- Under Phase I of Strategic Petroleum Reserve (SPR) programme, the government (through ISRPL) has built SPR facilities with a total capacity of 5.33 MMT. For Phase II of the programme, Union Cabinet has already given “In Principle’ approval to establish 6.5 MMT Strategic Petroleum Reserves under PPP mode.
- Shale Gas and Oil Exploration has immense opportunities in India and is also promoted of the government. The resources can be found in number of sedimentary basins (Gangetic plain, Gujarat, Rajasthan, Andhra Pradesh and other coastal areas) in India, including the hydrocarbon bearing ones – Cambay, Assam-Arakan and Damodar.
- During the last 3 years, Indian companies have acquired strategic stakes in overseas assets in UAE, Oman, Israel and Russia.

Financial Performance & Valuation Multiples Trends Analysis- Oil, Gas & Consumable Fuels Industry

Sub-Industries	Financial Performance			Valuation Multiples
	Revenue Growth	EBITDA Margin	Debt to Market Cap	EV/EBITDA Multiple
Trading - Gas	From FY 21 to 2023 at CAGR 50%	Decreased to 10% in 2023 from 11% in FY 21	Increased to 0.15 in 2023 from 0.07 in FY 21	Decreased to 16x in 2023 from 26x in FY 21
Oil Storage & Transportation	From FY 21 to 2023 at CAGR 25%	Decreased to 22% in 2023 from 28% in FY 21	Decreased to 0.02 in 2023 from 0.15 in FY 21	Increased to 11x in 2023 from 5x in FY 21
LPG/CNG/PNG/ LNG Supplier	From FY 21 to 2023 at CAGR 56%	Decreased to 17% in 2023 from 33% in FY 21	Increased to 0.02 in 2023 from 0.01 in FY 21	Decreased to 9x in 2023 from 11x in FY 21
Gas Transmission/ Marketing	From FY 21 to 2023 at CAGR 51%	Decreased to 15% in 2023 from 22% in FY 21	Decreased to 0.04 in 2023 from 0.13 in FY 21	Increased to 9x in 2023 from 7x in FY 21
Refineries & Marketing	From FY 21 to 2023 at CAGR 45%	Decreased to 7% in 2023 from 12% in FY 21	Increased to 0.77 in 2023 from 0.59 in FY 21	Increased to 8x in 2023 from 5x in FY 21

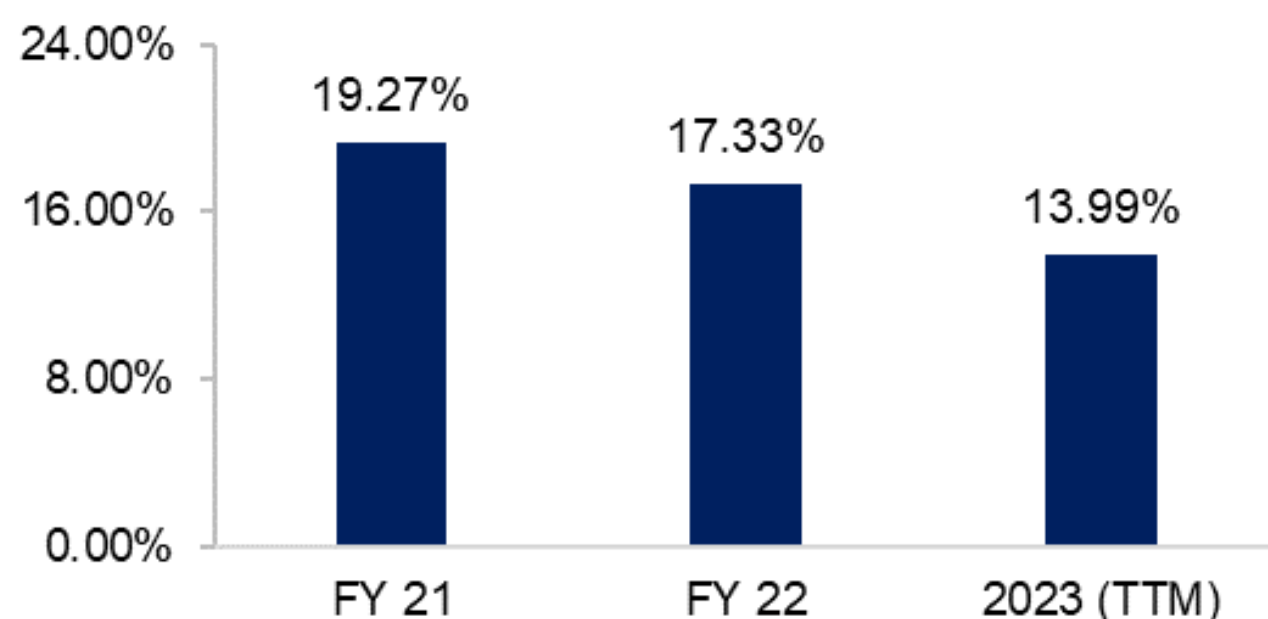
Financial Performance & Valuation Multiples Trends Analysis- Oil, Gas & Consumable Fuels Industry

Sub-Industries	Financial Performance			Valuation Multiples
	Revenue Growth	EBITDA Margin	Debt to Market Cap	EV/EBITDA Multiple
Oil Equipment & Services	From FY 21 to 2023 at CAGR 15%	Constant at 37% in 2023 in comparison to FY 21	Decreased to 0.001 in 2023 from 0.01 in FY 21	Increased to 7x in 2023 from 4x in FY 21
Lubricants	From FY 21 to 2023 at CAGR 21%	Decreased to 11% in 2023 from 16% in FY 21	Decreased to 0.01 in 2023 from 0.03 in FY 21	Decreased to 6x in 2023 from 8x in FY 21
Oil Exploration & Production	From FY 21 to 2023 at CAGR 50%	Increased to 42% in 2023 from 36% in FY 21	Decreased to 0.56 in 2023 from 1.04 in FY 21	Decreased to 4x in 2023 from 5x in FY 21
Coal	From FY 21 to 2023 at CAGR 19%	Increased to 32% in 2023 from 24% in FY 21	Decreased to 0.02 in 2023 from 0.07 in FY 21	Decreased to 2x in 2023 from 3x in FY 21
Offshore Support Solution Drilling	Negative Growth From FY 21 to 2023 at CAGR -32%	Increased to 34% in 2023 from 23% in FY 21	Decreased to 0 in 2023 from 0.001 in FY 21	Increased to 2x in 2023 from 1x in FY 21

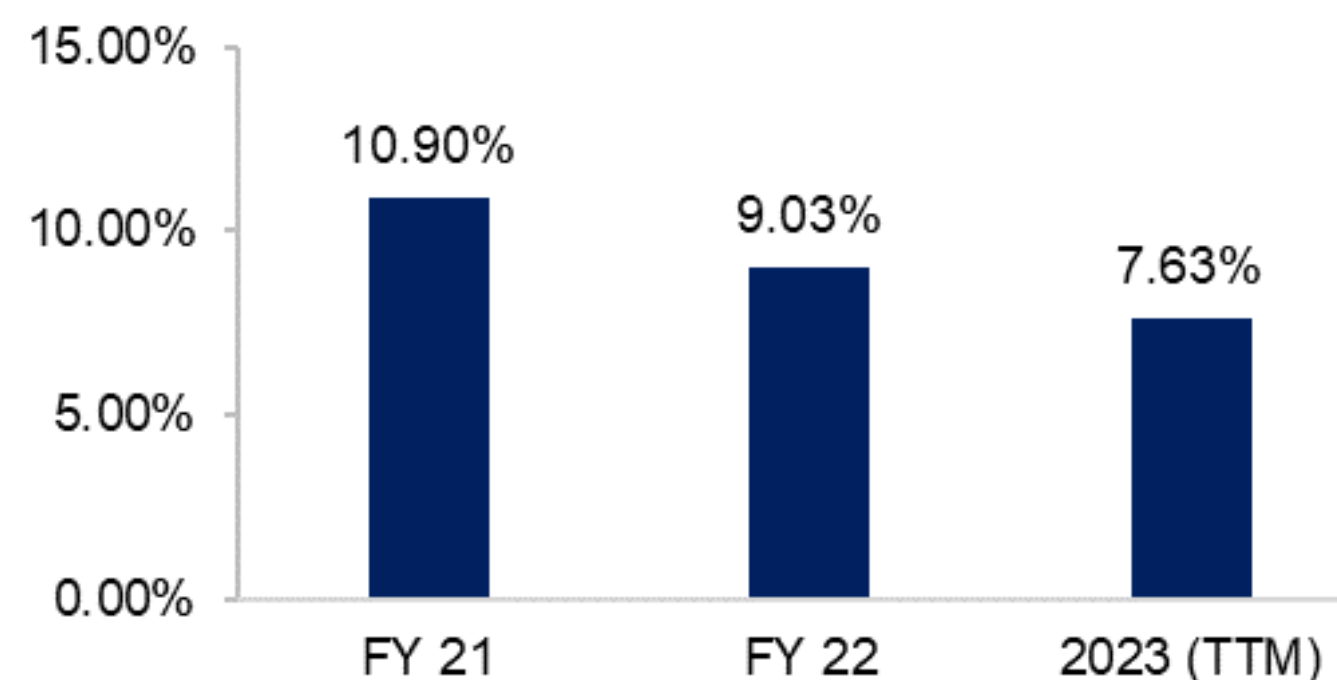


Financial Performance Charts for 3 Years of Oil, Gas & Consumable Fuels Industry

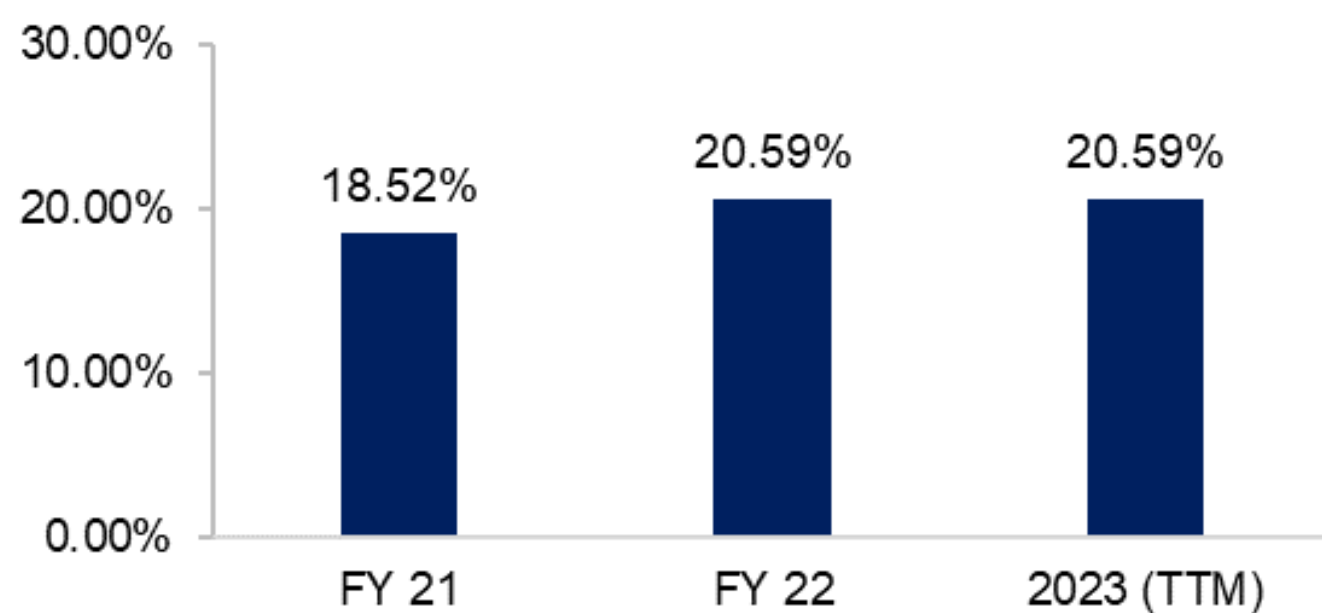
EBITDA Margin (%)



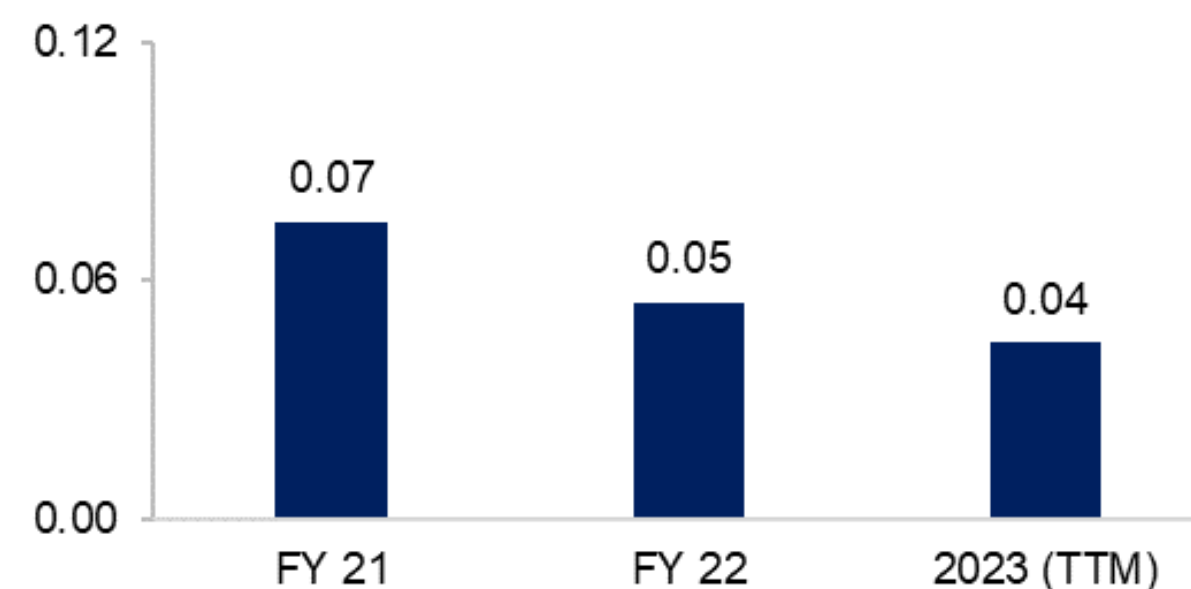
PAT Margin (%)



ROCE (%)



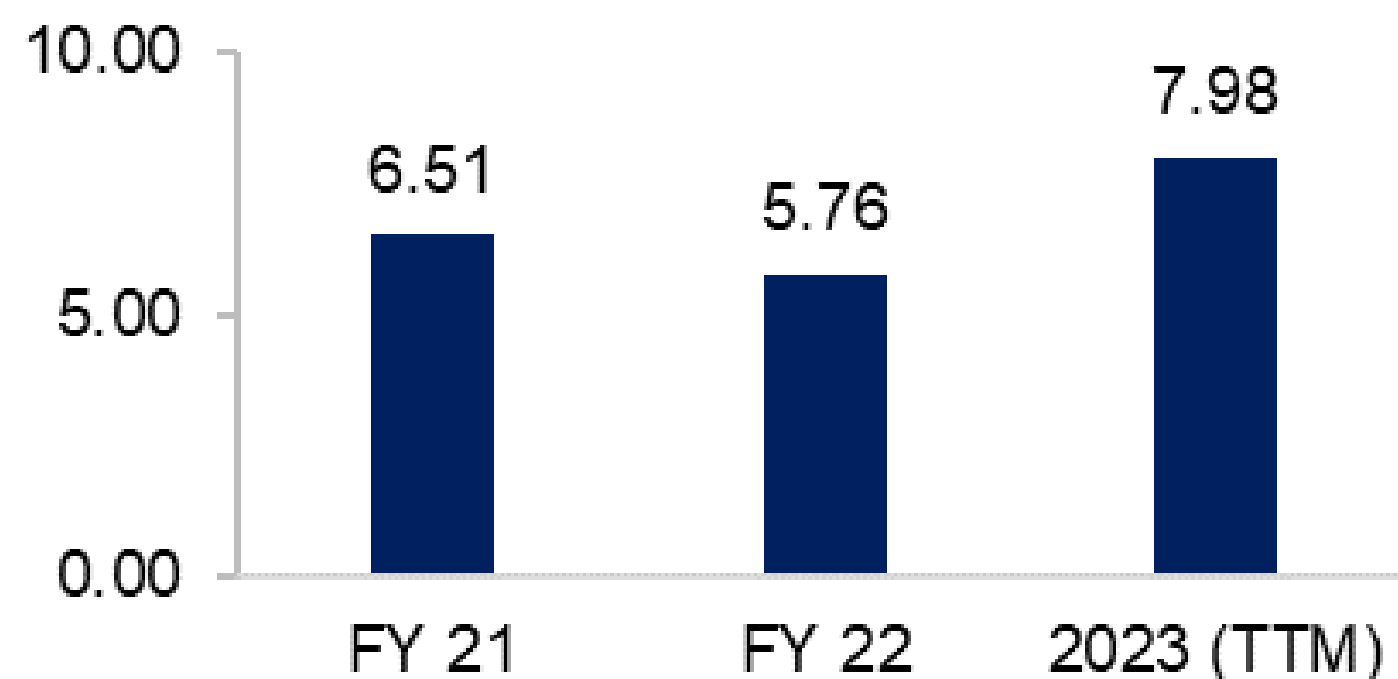
Debt to Market Cap Ratio



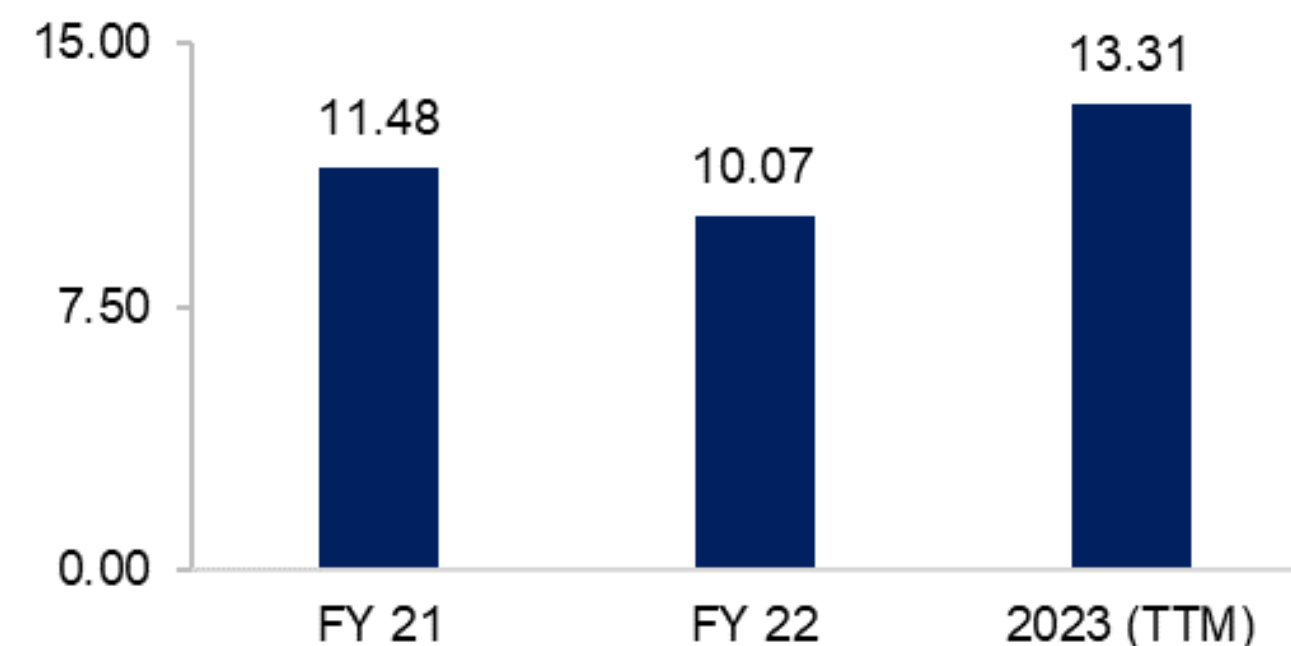


Valuation Multiples Trend analysis for 3 Years of Oil, Gas & Consumable Fuels Industry

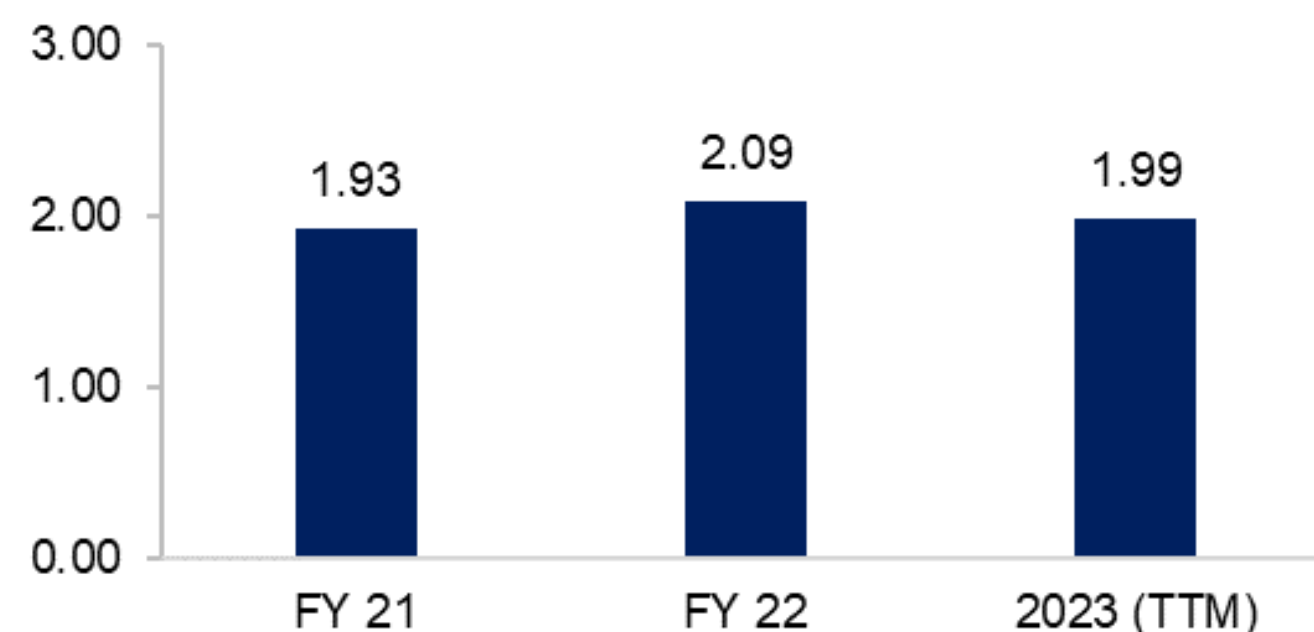
EV/EBITDA



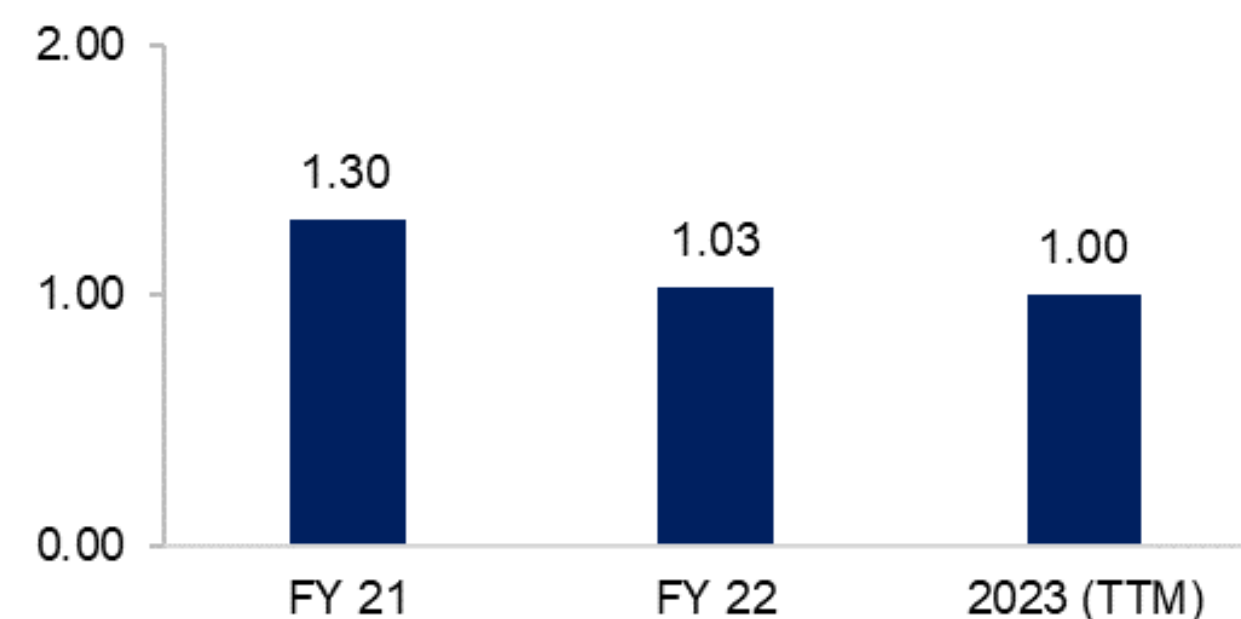
Price to Earnings (PE)



Price to BV



Market Cap/Sales



Top Performing Companies in Oil, Gas & Consumable Fuels Industry

Trading - Gas



Oil Storage & Transportation



LPG/CNG/PNG/
LNG Supplier



Gas Transmission/
Marketing



Refineries &
Marketing



Top Performing Companies in Oil, Gas & Consumable Fuels Industry

Oil Equipment & Services



DHP INDIA LIMITED

Lubricants



Castrol



Oil Exploration & Production



ऑयल इंडिया लिमिटेड
Oil India Limited



Coal

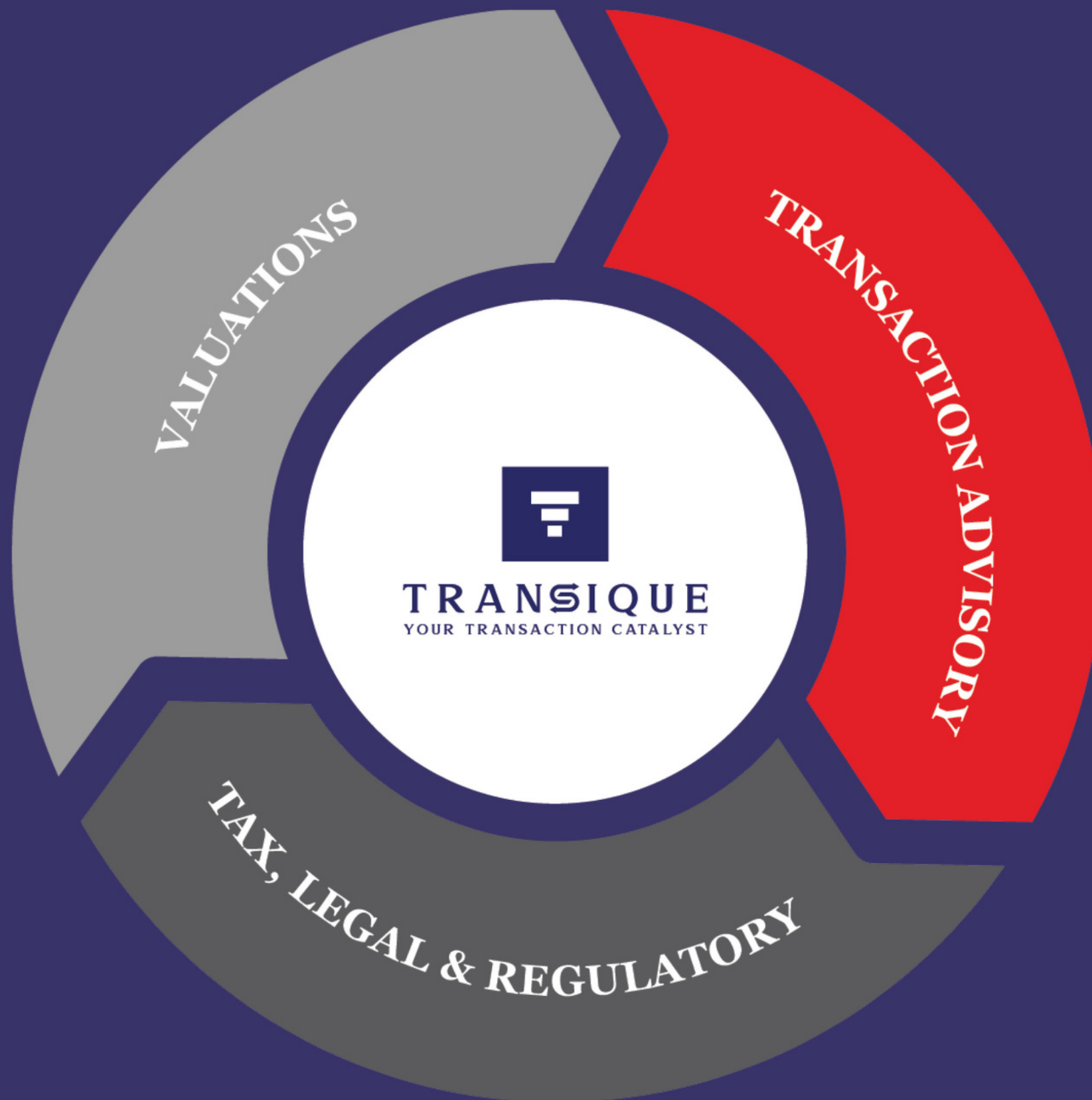


Offshore Support Solution Drilling



Industry, Sub Industry & Sub Group Classification

Industry	Sub Industry	Sub Group	No. of Companies
Oil, Gas & Consumable Fuels	Coal	Mining / Minerals	1
	Gas Transmission/Marketing	Gas Distribution	3
	LPG/CNG/PNG/LNG Supplier	Gas Distribution	4
		LPG Bottling	1
	Lubricants	Lubricants	4
		Petrochemicals - Others	2
	Offshore Support Solution Drilling	Oil Exploration / Allied Services	1
	Oil Equipment & Services	Domestic Appliances - White Goods	1
	Oil Exploration & Production	Oil Exploration / Allied Services	3
	Oil Storage & Transportation	Chemicals - Plasticizers	1
	Refineries & Marketing	Lubricants	1
		Refineries	4
	Trading - Gas	Trading - Medium / Small	1
			27



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