

Reliance Industries (RIL) – BUY

Company Update

Current Market Price (CMP) Rs.2368	Target Price Rs.2850
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Our fair value of Rs.2850 implies upside of 20.35% from current market price.

Rationale:

- JioMart garnered 26% distribution market-share of the 100 surveyed stores.
- ‘Reliance Partner’ app replaces the PoS; WhatsApp integration also underway.
- Expect earnings to grow by 30.8% in FY23E and 18.6% in FY24E.
- Fair value is Rs. 2850.

PoS: Point of sale.

Company update:

Positives:

- JioMart commands a healthy distribution share among its partner stores.
- Food sales form a heavy 71% of retailers’ average daily sales.
- JioMart’s pricing in the B2B (business to business) business is the top draw for retailers.

Negatives:

- Only 44% of retailers were satisfied with JioMart, lower than our previous surveys.
- Only 28% of retailers say that business has benefitted post JioMart tie-up.
- Our prior surveys have showed that JioMart’s PoS device weren’t successful.
- Udaan commands a decent share of distributors.

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For detailed report dated 9 Dec 2021. Note: CMP & valuation may differ due to difference in dates.



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Holding period: 12 Months. Disclaimer: <http://bit.ly/2n5AxIE>