

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

Oil India

Current Market Price	Potential Returns	Fair Value (FV)
Rs.261	9.2%	Rs.285

Date: 6th June, 2022

Previous Rating: **SELL**

Current Rating: **ADD**

Change: Upgrade

Ratings Rationale

- We expect domestic gas prices to increase sharply in H2FY23E.
- We sharply raise our FY23-24E EBITDA by 71-83%.
- In Q4FY22, EBITDA increased 68% qoq, 8% above our estimate.
- Reported net income increased 31% qoq in Q4FY22 (EPS of Rs15).
- In Q4FY22, crude oil sales volumes increased 4.3% yoy to 7.33 lakh tons.

Valuation

We value the stock at 5x Jun'24 estimates plus value of investments.

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Note: The performance horizon is 12 months unless specified.

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