PL Capital
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Gujarat Energy (GUJENERG IN)

Q1FY27 Result Update

August 12, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Ease in propane supply to drag Morbi volumes lower

Quick Pointers

- FY27 CGD capex maintained at INR10bn
- Trading EBIT maintained at ~INR11bn in FY27

GEL reported a beat on EBITDA at INR13.0bn, largely driven by strong performance from its Trading business. EBITDA from the CGD business stood at INR5.8bn, up 25.2/7.0% QoQ/YoY. Total CGD volumes grew 39.1% QoQ/YoY to 12.3mmscmd in Q1FY27, driven by strong PNG-I/C volumes and growth in CNG volumes, partly offset by muted PNG-D volumes. Management indicated that higher propane availability, following diversification of supply sources beyond the Middle East, has impacted Morbi volumes, which are currently trending at ~3mmscmd, down from the ~8mmscmd run-rate witnessed in May-June'26. Consequently, we lower our volume estimates to 10.4/9.9mmscmd from 12.1/10.7mmscmd for FY27/FY28E. Management maintained its CGD EBITDA/scm guidance of INR5.5-6.5/scm; we estimate EBITDA/scm at INR5.3/5.7/scm for FY27/FY28E. GEL maintained its INR11-12bn EBIT guidance for the Trading business, with margins of 4-5%; we have factored in our estimates accordingly. We value the company on SOTP basis, assigning 10x EV/EBITDA to the CGD business and 4x to Gas Trading/E&P/Power, arriving at a target price of INR275 (earlier: INR293). Maintain "Hold".

Trading business drives EBITDA beat : GEL reported a beat on EBITDA at INR13.0bn (PLe: INR9.5bn, BBGe: INR8.9bn), up 68.1% QoQ and 65.5% YoY led by strong profitability in the Trading business. Trading EBITDA improved to INR7.3bn, 2x YoY. EBITDA from the CGD business stood at INR5.8bn, up 25.2/7.0% QoQ/YoY. EBITDA from E&P declined sharply by 78.6%/57.1% QoQ/YoY to INR30mn, while Power EBITDA stood at INR180mn, up 2x QoQ.

CGD volumes improve QoQ and YoY led by industrial vol: Total CGD sales volume increased 39.1% QoQ/YoY to 12.3mmscmd in Q1FY27, driven by 80.7%/62.5% QoQ/YoY growth in PNG-I/C volumes to 7.9mmscmd and 4.4%/12.9% QoQ/YoY growth in CNG volumes to 3.8mmscmd. PNG-D volumes remained muted, growing 1.4% YoY while declining 23.1% QoQ to 0.7mmscmd.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Hold		Hold	
Target Price	275		293	
Sales (INR bn)	303	291	317	302
% Chng.	*(4.4)*	*(3.6)*		
EBITDA (INR bn)	31	31	33	33
% Chng.	*(6.1)*	*(6.1)*		
EPS (INR)	26.2	25.6	27.1	26.4
% Chng.	*(3.3)*	*(3.0)*		

Key Data — GGAS.BO | GUJENERG IN

BSE Code	539336
NSE Code	GUJENERGY
52-W High / Low	INR 386 / INR 257
Face Value	2
Sensex / Nifty	77,966 / 24,436
Market Cap	INR 343 bn / $ 3,600 mn
Shares Outstanding	1250.97 mn
3M Avg. Daily Value	INR 312.34 mn

Shareholding Pattern (%)

Promoters	38.94
FIIs	10.57
Mutual Funds	16.73
Domestic Instituions	7.96
Public & Others	25.80
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(5.3)	(12.8)	(24.5)	(24.5)
Relative	(5.8)	(16.6)	(19.0)	(22.3)

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR bn)	270	234	303	291
EBITDA (INR bn)	31	32	31	31
Margin (%)	*11.4*	*13.5*	*10.2*	*10.5*
PAT (INR bn)	14	23	25	24
EV (INR bn)	229	247	250	233
Total Debt (INR bn)	-	-	-	-
C&C Eq. (INR bn)	28	11	7	24
EPS (INR)	14.8	24.5	26.2	25.6
Gr. (%)	*(7.5)*	*65.6*	*6.8*	*(2.3)*
DPS (INR)	4.3	6.5	7.0	6.8
Yield (%)	*1.6*	*2.4*	*2.5*	*2.5*
RoE (%)	*9.0*	*11.0*	*12.6*	*11.3*
RoCE (%)	*16.4*	*12.3*	*12.9*	*11.7*
EV/Sales (x)	0.8	1.1	0.8	0.8
EV/EBITDA (x)	7.5	7.8	8.1	7.6
PE (x)	18.5	11.2	10.5	10.7
P/BV (x)	1.1	1.4	1.3	1.2

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Net Sales (INR bn)	95	94	(1.0)	57	65.0
EBITDA (INR bn)	9	9	-	8	13.0
Margin (%)	*10.0*	*9.5*	*(50) bps*	*13.4*	*(390) bps*
PAT (INR bn)	7	6	(14.0)	6	-

Source: Company, PL

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Gas Trading Business: GEL imported 10 LNG cargoes in Q1FY27, flat QoQ and up from 6 in Q1FY26. Trading volumes increased to 12.2mmscmd, from 10.2mmscmd in Q4FY26 and 9.3mmscmd in Q1FY26. Of the 12.2mmscmd, 8.9mmscmd was supplied to the internal CGD business, while the remaining 3.3mmscmd was sold externally. External sales volume in FY26 stood at 4.9mmscmd.

Oil and gas volumes on a declining trend: Oil production declined to 336bopd in Q1FY27 vs 335bopd in Q4FY26 and 412bopd in Q1FY26. Gas production declined to 23,000scmd vs 28,000/30,000scmd in Q4FY26/Q1FY26.

Concall highlights: 1) Gas Trading business: GEL sourced 10 LNG cargoes during the quarter. Total gas sales stood at 15.6mmscmd, including 12.34mmscmd to the CGD business (inter-segment sale of 8.9mmscmd) and ~3.3mmscmd of external sales. Management expects 3rd-party trading volumes to reach 4.5–5.0mmscmd by FY28-FY29. No material capex is required for the trading business. GEL reiterated ~Rs11–12bn EBIT on a conservative basis; does not expect losses in the coming quarters. Sourcing mix: ~20% long-term, ~1.5% domestic gas and ~67% spot; ~20% of long-term volumes are linked to Henry Hub. Trading margins are expected at 4–5%, with increasing focus on back-to-back contracts to limit commodity-price exposure. Fertiliser contracts are largely Brent-linked with 3-month pricing, while power-sector volumes are predominantly spot. Marketing margins for fertiliser and CGD remain nominal. Strong trading performance was driven by timely sourcing of gas at favourable prices. 2) **CGD -** Gas sourcing mix: 14% APM, 6% NWG, 2% pooled gas, 9% long-term contracts; balance from short-term and inter-segment arrangements. Management retains Rs5.5–6.5/scm EBITDA guidance. **CNG -** CNG volumes grew ~12% YoY in Gujarat and ~19% YoY outside Gujarat. Added 6 new CNG stations and upgraded 9 stations during the quarter. Plans to add >75 CNG stations and upgrade ~70 stations in FY27. Management expects CNG growth to remain healthy as the expanded station network ramps up. **Domestic & Commercial PNG - Added** ~59,000 domestic PNG customers during the quarter. Commercial PNG volumes stood at 0.17mmscmd, with >16,600 customers. **Industrial -** Industrial PNG volumes increased to 7.17mmscmd vs 4.71mmscmd YoY. Morbi contributed 5.67mmscmd, while volumes outside Morbi stood at ~2.04mmscmd. Morbi gas run-rate moderated to ~3mmscmd, with ~5.5mmscmd supplied through propane as availability improved. Management expects to maintain ~3mmscmd of gas sales in Morbi. Current gas price is ~Rs78/scm vs ~Rs65/scm for propane. Plans to set up a propane import and storage terminal near Morbi; site evaluation is underway. Added ~86 industrial customers outside Morbi during Apr-Jun 2026. Outside Morbi, volumes remain subdued at ~2.2mmscmd, with growth constrained by infrastructure readiness and alternate fuels. 3) **Capex** – GEL invested Rs127cr in CGD infrastructure during the quarter**.** FY27 CGD capex guidance stands at ~Rs10bn. Proposed propane-related capex is not included in the Rs10bn CGD capex plan. 4) **Other -** GTL listing delayed due to the requirement for regulatory exemption; management now expects listing around early Sep'26.

Exhibit 1: **Quarterly Estimates**

Particulars (Rs bn)	Q1FY27A	*YoY gr.*	Q2FY27E	*YoY gr.*	Q3FY27E	*YoY gr.*	Q4FY27E	*YoY gr.*
Revenue from Operations	94.4	*64.8%*	69.7	*NA*	70.2	*18.5%*	68.3	*18.5%*
EBITDA	13.0	*68.1%*	6.2	*NA*	5.9	*-38.6%*	5.8	*-26.3%*
Margin (%)	*13.7*	*27.1*	*8.9*	*NA*	*8.4*	*-777.1*	*8.4*	*-513.2*
Adjusted PAT	10.0	*77.9%*	5.1	*NA*	4.8	*-30.8%*	4.7	*-9.4%*

Source: Company, PL. Growth in Q2FY27E is not comparable

Exhibit 2: Q1FY27 Result Overview (INR bn)

Y/e Mazrch	Q1FY27	Q4FY26	QoQ gr.	Q1FY27E	% Var	Q1FY26	YoY gr.	FY27E	FY26	YoY gr.
Net Sales	**94.4**	**57.7**	***63.8%***	**94.8**	***-0.4%***	**57.3**	***64.8%***	**302.7**	**233.9**	***29.4%***
YoY Change (%)	*149.8*	*-9.5*		*150.8*		*28.8*		*129.4*		
RM Cost	77.4	45.0	*72.1%*	81.4	*-4.8%*	46.0	*68.5%*	255.6	186.5	*37.0%*
Employee Expenses	0.6	0.8	*-25.2%*	0.6	*1.7%*	0.5	*18.3%*	2.5	2.4	*4.0%*
Other Expenses	3.4	4.0	*-14.1%*	3.4	*1.3%*	3.1	*10.3%*	13.8	13.4	*3.0%*
Total Expenditure	81.5	49.8	*63.5%*	85.3	*-4.5%*	49.6	*64.3%*	272	202.4	*34.3%*
EBITDA	**13.0**	**7.8**	***65.5%***	**9.5**	***37.0%***	**7.7**	***68.1%***	**30.813**	**31.5**	***-2.2%***
Margins (%)	*13.7*	*13.6*		*10.0*		*13.4*		*10.2*	*13.5*	
Depreciation	1.4	1.4	*-1.6%*	1.5	*-2.4%*	1.4	*0.6%*	5.8	5.8	*0.6%*
Interest	0.1	0.1	*-5.4%*	0.1	*-7.0%*	0.1	*2.0%*	0.4	0.4	*0.5%*
Other Income	1.9	1.6	*16.4%*	1.7	*NA*	1.3	*49.2%*	8.2	6.2	*31.6%*
Extra-Ord expense/ (Income)	0.0	0.6		0.0		0.0		0.0	0.7	
PBT	**13.3**	**7.3**	***83.3%***	**9.6**	***38.6%***	**7.5**	***78.5%***	**32.8**	**30.9**	***6.1%***
Tax	3.3	2.1	*62.1%*	2.4	*37.8%*	1.8	*80.6%*	8.2	7.9	*4.2%*
Rate (%)	*25.0*	*28.3*		*25.2*		*24.7*		*25.1*	*25.6*	
Reported PAT	**10.0**	**5.2**	***91.7%***	**7.2**	***38.9%***	**5.6**	***77.9%***	**24.5**	**23.0**	***6.8%***
Total volume (mmscmd)	**12.3**	**8.9**	***39.1%***	**15.0**	***-17.5%***	**8.9**	***39.1%***	**10.4**	**8.7**	***19.8%***
CNG	3.8	3.6	*4.4%*	3.7	*3.0%*	3.33	*12.9%*	3.8	3.4	*12.0%*
I/C PNG	7.9	4.4	*80.7%*	10.4	*-24.0%*	4.9	*62.5%*	5.9	4.5	*31.7%*
D-PNG	0.7	0.9	*-23.1%*	0.9	*-25.5%*	0.7	*1.4%*	0.7	0.8	*-13.1%*

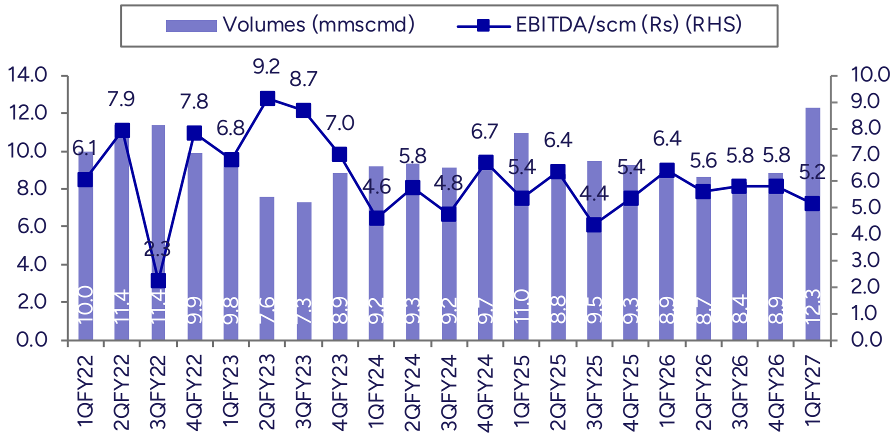
Source: Company, PL

Exhibit 3: Valuation table

Business	EBITDA (INR/bn)	EV/EBITDA (x)	EV (INR bn)
CGD – FY28E	20.8	10.0	208
Trading – FY28E	10.2	4.0	41
E&P – FY28E	0.1	4.0	0
Power – FY28E	0.5	4.0	2
Total EV (INR bn)			251
Net Debt (FY27E) (INR bn)			-7.4
Equity Value (INR bn)			258
Target Price (INR/share)			**275**

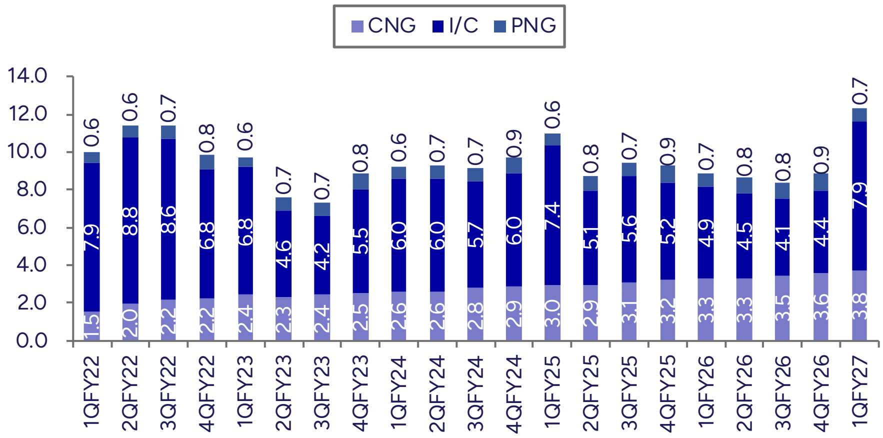
Source: PL

Exhibit 4: Total volume improves QoQ to 12.3mmscmd



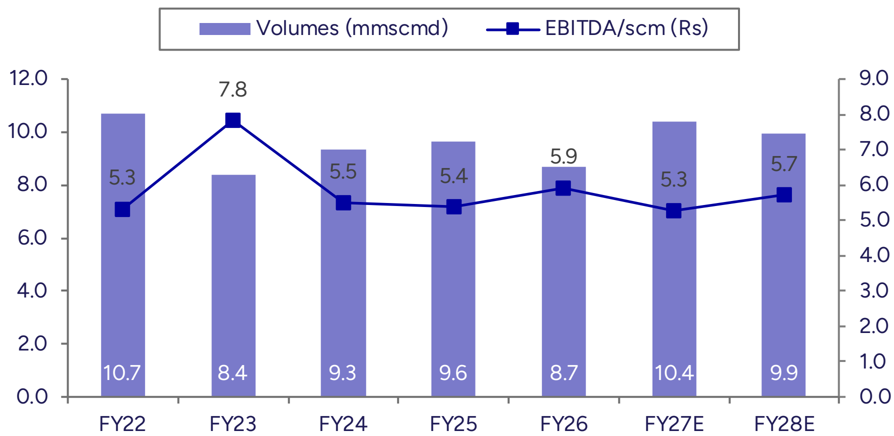
Source: Company, PL

Exhibit 5: Industrial/commercial volumes



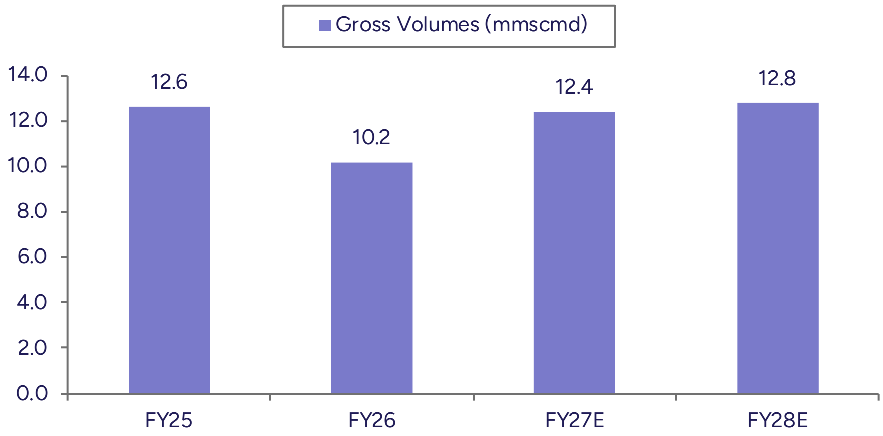
Source: Company, PL

Exhibit 6: CGD business volume expectation



Source: Company, PL

Exhibit 7: Gas Trading volumes (Gross) - mmscmd



Source: Company, PL

Financials

Income Statement (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**270**	**234**	**303**	**291**
YoY gr. (%)	*72.2*	*(13.4)*	*29.4*	*(3.9)*
Cost of Goods Sold	224	187	256	244
Gross Profit	46	47	47	47
Margin (%)	*16.5*	*19.6*	*15.0*	*15.7*
Employee Cost	2	2	3	3
Other Expenses	13	13	14	14
EBITDA	**31**	**32**	**31**	**31**
YoY gr. (%)	*64.0*	*2.4*	*(2.2)*	*-*
Margin (%)	*11.4*	*13.5*	*10.2*	*10.5*
Depreciation and Amortization	5	6	6	6
EBIT	**25**	**26**	**25**	**25**
Margin (%)	*9.4*	*11.0*	*8.3*	*8.5*
Net Interest	-	-	-	-
Other Income	6	6	8	8
Profit Before Tax	**22**	**31**	**33**	**32**
Margin (%)	*8.3*	*13.2*	*10.8*	*11.0*
Total Tax	(12)	8	8	8
Effective Tax Rate (%)	*(56.0)*	*25.6*	*25.1*	*25.2*
Profit After Tax	**35**	**23**	**25**	**24**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**14**	**23**	**25**	**24**
YoY gr. (%)	*26.0*	*65.6*	*6.8*	*(2.3)*
Margin (%)	*5.1*	*9.8*	*8.1*	*8.2*
Extra Ord. Income / (Exp)	21	-	-	-
Reported PAT	**35**	**23**	**25**	**24**
YoY gr. (%)	*204.7*	*(34.0)*	*6.8*	*(2.3)*
Margin (%)	*12.9*	*9.8*	*8.1*	*8.2*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	35	23	25	24
Equity Shares O/s (bn)	**1**	**1**	**1**	**1**
EPS (INR)	**14.8**	**24.5**	**26.2**	**25.6**

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**159**	**131**	**140**	**150**
Tangibles	159	131	140	150
Intangibles	-	-	-	-
Acc: Dep / Amortization	**41**	**47**	**53**	**58**
Tangibles	41	47	53	58
Intangibles	-	-	-	-
Net Fixed Assets	**118**	**84**	**88**	**92**
Tangibles	118	84	88	92
Intangibles	-	-	-	-
Capital Work In Progress	12	8	9	9
Goodwill	-	-	-	-
Non-Current Investments	33	23	23	23
Net Deferred Tax Assets	-	-	-	-
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	7	10	13	13
Trade Receivables	22	17	22	21
Cash & Bank Balance	28	11	7	24
Other Current Assets	-	-	-	-
Total Assets	**280**	**232**	**265**	**280**
Equity				
Equity Share Capital	2	2	2	2
Other Equity	231	183	201	219
Total Networth	**232**	**185**	**203**	**221**
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	-	-	-	-
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	15	16	22	21
Other Current Liabilities	37	32	41	40
Total Equity & Liabilities	**285**	**234**	**267**	**282**

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	30	31	33	32
Add. Depreciation	7	6	6	6
Add. Interest	-	-	-	-
Less Financial Other Income	6	6	8	8
Add. Other	3	(5)	(8)	(8)
Op. Profit before WC Changes	40	32	31	31
Net Changes-WC	(8)	(4)	(17)	3
Direct Tax	(4)	(3)	(8)	(8)
Net Cash from Op. Activities	**28**	**24**	**5**	**26**
Capital Expenditures	(9)	(8)	(10)	(10)
Interest / Dividend Income	4	4	-	-
Others	(32)	(15)	8	8
Net Cash from Invt. Activities	**(38)**	**(20)**	**(2)**	**(2)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	-	-	-	-
Dividend Paid	(4)	(2)	(7)	(6)
Interest Paid	-	-	-	-
Others	(1)	-	-	-
Net Cash from Fin. Activities	**(5)**	**(3)**	**(7)**	**(7)**
Net Change in Cash	**(14)**	**2**	**(3)**	**17**
Free Cash Flow	19	16	(5)	16

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**38**	**59**	**58**	**94**
YoY gr. (%)	*-*	*42.7*	*(9.5)*	*64.8*
Raw Material Expenses	30	46	45	81
Gross Profit	8	13	13	13
Margin (%)	*21.1*	*22.3*	*21.9*	*13.8*
EBITDA	**4**	**10**	**8**	**9**
YoY gr. (%)	*(13.0)*	*151.2*	*33.6*	*16.7*
Margin (%)	*11.8*	*16.1*	*13.6*	*9.5*
Depreciation / Depletion	1	1	1	1
EBIT	**3**	**8**	**6**	**8**
Margin (%)	*8.3*	*13.6*	*11.1*	*8.0*
Net Interest	-	-	-	-
Other Income	1	1	2	2
Profit before Tax	**4**	**9**	**7**	**9**
Margin (%)	*10.0*	*15.5*	*12.6*	*9.9*
Total Tax	1	2	2	3
Effective Tax Rate (%)	*25.6*	*24.7*	*28.3*	*35.6*
Profit After Tax	**3**	**7**	**5**	**6**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**3**	**7**	**6**	**6**
YoY gr. (%)	*(8.4)*	*213.4*	*86.1*	*7.2*
Margin (%)	*7.4*	*11.7*	*9.8*	*6.4*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**3**	**7**	**5**	**6**
YoY gr. (%)	*(8.4)*	*212.3*	*1,059.7*	*7.2*
Margin (%)	*7.4*	*11.7*	*9.0*	*6.4*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**3**	**7**	**5**	**6**
Avg. Shares O/s (bn)	1	1	1	1
EPS (INR)	**4.1**	**10.1**	**8.2**	**8.7**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	14.8	24.5	26.2	25.6
CEPS	20.6	30.7	32.4	31.9
BVPS	247.7	197.4	216.6	235.3
FCF	19.9	16.9	(4.9)	16.7
DPS	4.3	6.5	7.0	6.8
Return Ratio (%)				
RoCE	16.4	12.3	12.9	11.7
ROIC	10.1	11.6	9.7	9.6
RoE	9.0	11.0	12.6	11.3
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	(27)	(28)	(29)	(29)
Valuation (x)				
PER	18.5	11.1	10.4	10.7
P/B	1.1	1.3	1.2	1.1
P/CEPS	13.3	8.9	8.4	8.5
EV/EBITDA	7.4	7.8	8.1	7.6
EV/Sales	0.8	1.0	0.8	0.8
Dividend Yield (%)	1.5	2.3	2.5	2.4
FCFF Yield (%)	7.2	6.1	(1.8)	6.0
PEG Ratio	(2.5)	0.1	1.5	(4.8)

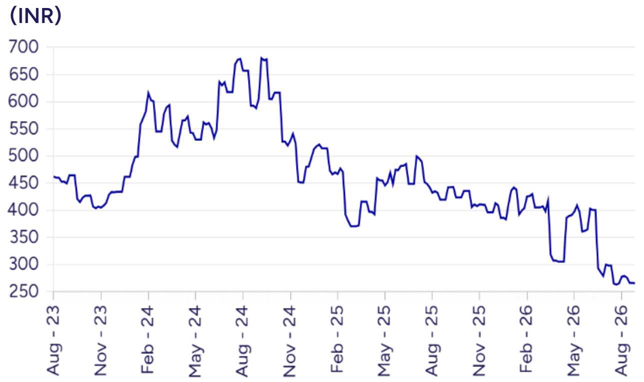
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Volume (mmscmd)	10	9	10	10
EBITDA (Rs/scm)	5	6	5	6
Gross Gas Trading volume (mmscmd)	13	10	12	13

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Jul-26	Hold	293	286
2	02-Jun-26	HOLD	380	397
3	08-Apr-26	Accumulate	341	312
4	21-Jan-26	Accumulate	422	399
5	07-Jan-26	Hold	420	438
6	12-Nov-25	Hold	415	408
7	03-Oct-25	Hold	442	436
8	06-Aug-25	Hold	432	431
9	03-Jul-25	Sell	404	499
10	21-May-25	Sell	372	464

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aarti Industries	Accumulate	526	489
2	Bharat Petroleum Corporation	HOLD	305	310
3	Bharti Airtel	BUY	2275	1978
4	Clean Science and Technology	HOLD	745	734
5	Deepak Nitrite	Reduce	1586	1750
6	Fine Organic Industries	BUY	6357	5028
7	GAIL (India)	BUY	206	181
8	Gujarat Energy	Hold	293	286
9	Gujarat Fluorochemicals	HOLD	3772	3961
10	Gujarat State Petronet	Hold	242	236
11	Hindustan Petroleum Corporation	Reduce	350	385
12	Indian Oil Corporation	Accumulate	147	140
13	Indraprastha Gas	BUY	181	152
14	Jubilant Ingrevia	Hold	711	745
15	Laxmi Organic Industries	Reduce	169	182
16	Mahanagar Gas	Accumulate	1254	1121
17	Mangalore Refinery & Petrochemicals	HOLD	150	157
18	Navin Fluorine International	Accumulate	8377	7610
19	NOCIL	HOLD	179	171
20	Oil & Natural Gas Corporation	Accumulate	273	240
21	Oil India	Accumulate	551	453
22	P.I. Industries	Hold	2792	2648
23	Petronet LNG	Accumulate	300	280
24	Reliance Industries	BUY	1675	1327
25	SRF	Reduce	2482	2632
26	Sudeep Pharma	Reduce	855	959
27	Vinati Organics	Accumulate	1443	1296

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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