

# Bharat Petroleum Corporation Ltd.

## Investor Presentation

February 2020



**Energising  
Business**

**Energising  
Society**

**Energising  
Environment**

...ek boond paani  
"Project BOOND"



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# Table of Contents

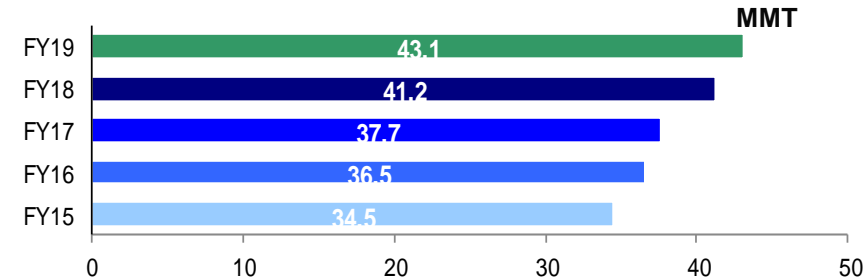
<b>1.</b>	<b>Corporate Overview</b>	<b>4</b>
<b>2</b>	<b>Business Overview</b>	<b>8</b>
<b>3.</b>	<b>Industry Overview</b>	<b>23</b>

# 1. Corporate Overview

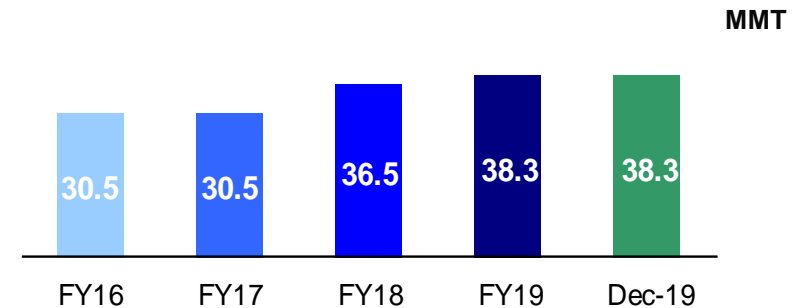
# Introduction

- India's 6th largest company by turnover over INR 3,376 bn in FY19 and INR 2,773 bn in FY18
- India's 2nd largest Oil Marketing Company (OMC) with domestic sales volume of over 43.07 MMT in FY19 and 41.21 MMT in FY18
  - Domestic market share of 21% during FY19
- Majority Govt. of India shareholding of 53.29% and explicit Govt. support through under-recovery compensation mechanism
- # 275 ranking on Fortune 2019 global list; ranks 6<sup>th</sup> among the only seven Indian companies on the list
- The Govt. of India conferred BPCL with "MAHARATNA" status in Sep 2017
- Well positioned to meet market demand across India through Strategically located Refineries and Marketing Infrastructure
- Successful foray into upstream business.
- Ratings at par with the Sovereign
  - Baa2 (Outlook Negative) – Review for Downgrade by Moody's / BBB- (Outlook Stable) by Fitch

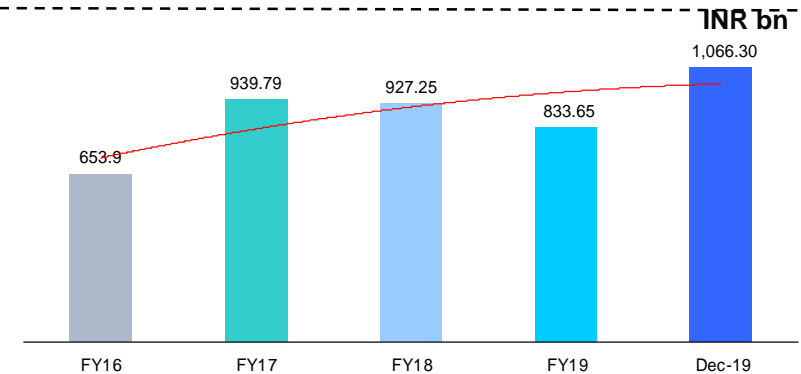
## Market Sales



## Refining Capacity



## Market Capitalization ^

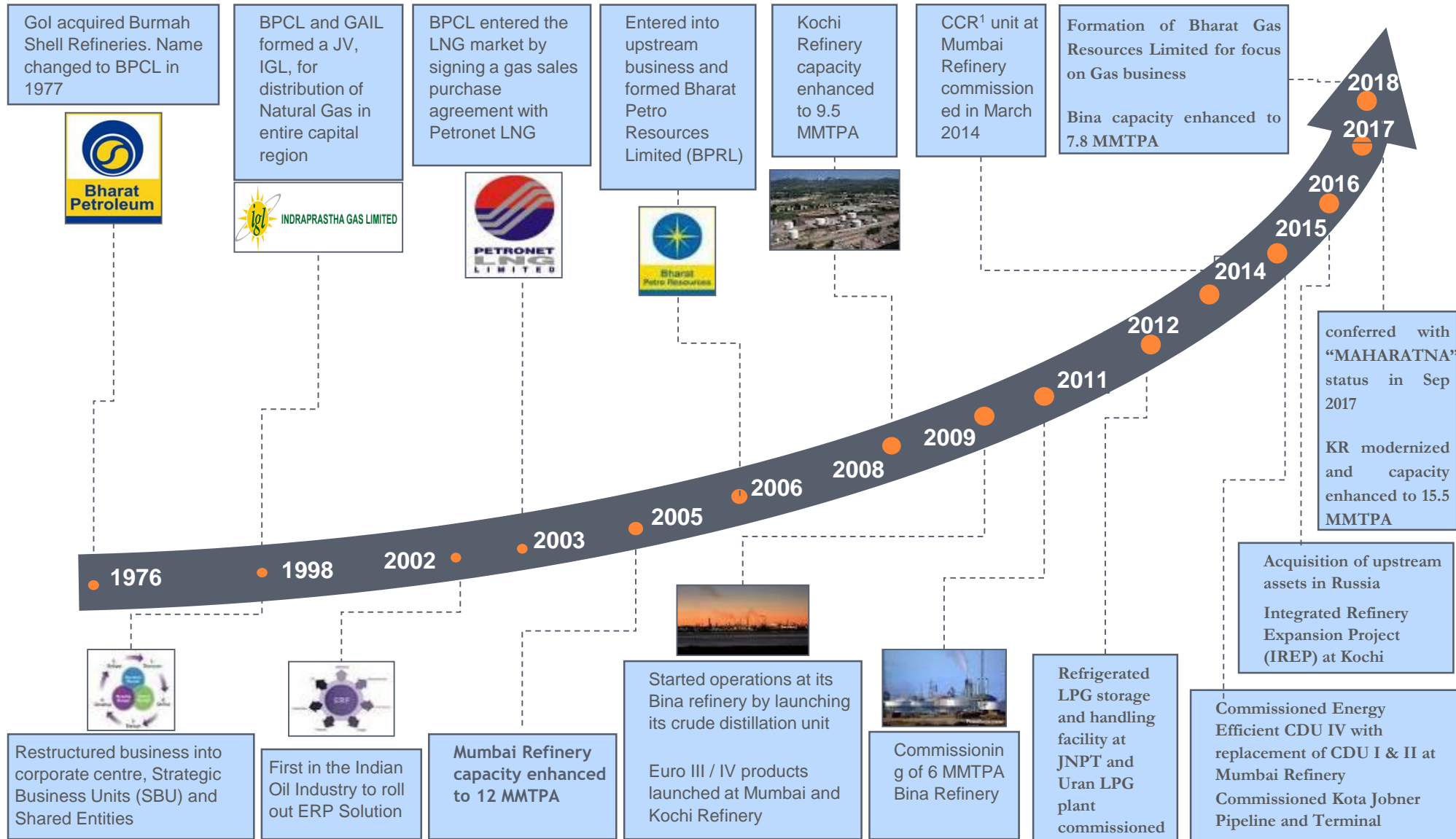


^ Market capitalization figures as on period end

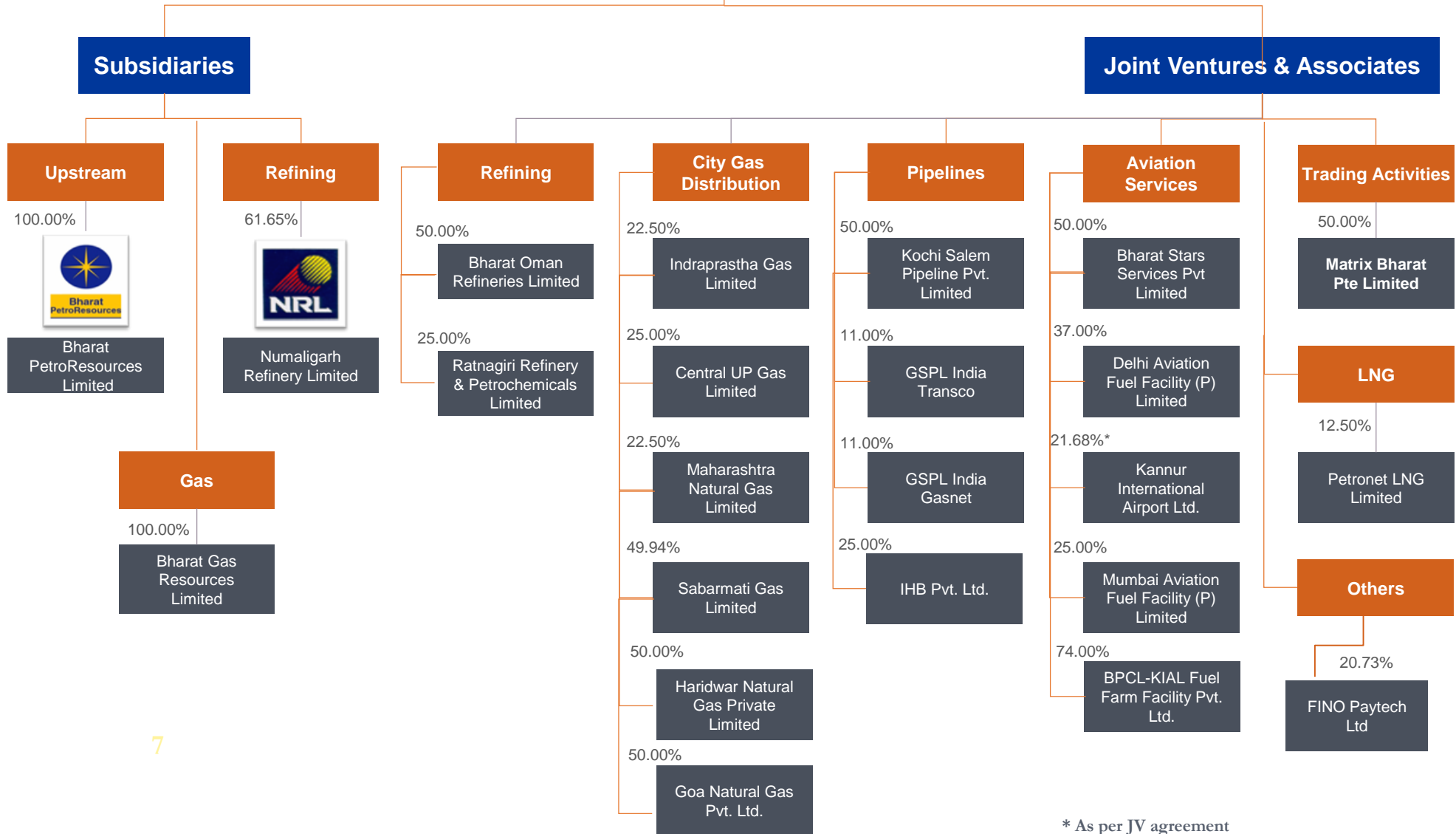
FY means Financial year ending 31st March

Source: National Stock Exchange

# Important Milestones



# Major Subsidiaries/ JVs










\* As per JV agreement

## 2. Business Overview



# Diversified Product Offering and Presence Across Value Chain

## BHARAT PETROLEUM CORPORATION LIMITED

Refinery	Retail	LPG	Industrial/ Commercial	Aviation	Lubricants	Gas
 <ul style="list-style-type: none"> <li>Refining capacity of 38.3 MMTPA</li> <li>15% of the country's refining capacity</li> </ul>	 <ul style="list-style-type: none"> <li>25.70% market share<sup>1</sup></li> <li>15,616 retail outlets</li> <li>79 depots /installations</li> </ul>	 <ul style="list-style-type: none"> <li>25.80% market share<sup>1</sup></li> <li>Currently over 6000 distributors</li> <li>52 LPG bottling plants</li> </ul>	 <ul style="list-style-type: none"> <li>Currently 8,000+ customers</li> </ul>	 <ul style="list-style-type: none"> <li>25.00% market share<sup>1</sup> in ATF</li> <li>58 Aviation service stations</li> </ul>	 <ul style="list-style-type: none"> <li>20.40% market share<sup>1</sup></li> <li>Currently 18,000 customers</li> <li>More than 400+ grades of products</li> </ul>	 <ul style="list-style-type: none"> <li>50+ major LNG customers</li> </ul>
<ul style="list-style-type: none"> <li>Strategically located refineries</li> </ul>	<ul style="list-style-type: none"> <li>Pan India presence across products</li> </ul>	<ul style="list-style-type: none"> <li>Various Innovative offerings with ventures in allied business</li> </ul>	<ul style="list-style-type: none"> <li>Reliable, innovative and caring supplier of I&amp;C products</li> </ul>	<ul style="list-style-type: none"> <li>Present at all the major gateways and airports for into plane services</li> </ul>	<ul style="list-style-type: none"> <li>Major OEM tie ups such as Tata Motors, Honda, Genuine Oil, TVS etc.</li> </ul>	<ul style="list-style-type: none"> <li>Emerging Markets</li> </ul>
<ul style="list-style-type: none"> <li>Four refineries in Mumbai, Kochi, Numaligarh and Bina</li> </ul>	<ul style="list-style-type: none"> <li>Pioneer in branded retail outlets, branded fuels ex: Speed</li> </ul>	<ul style="list-style-type: none"> <li>Current Domestic customer base over 8.1 Crores</li> </ul>	<ul style="list-style-type: none"> <li>Pioneer in IT integration and Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>Fuel Farm Operations through MAFFFL and DAFFL</li> </ul>	<ul style="list-style-type: none"> <li>Product customization</li> </ul>	<ul style="list-style-type: none"> <li>100% subsidiary BGRL for focus on Gas business</li> <li>Interest in 37 GAs which it operates either as wholly owned or through JVs</li> </ul>

1. Market share includes sale by PSU as well as private oil marketing companies. All figures as of 31<sup>st</sup> December 2019. For Lubricants it represents on PSUs share.

2. Source : Ministry of Petroleum and Natural Gas.

# Refining Coverage

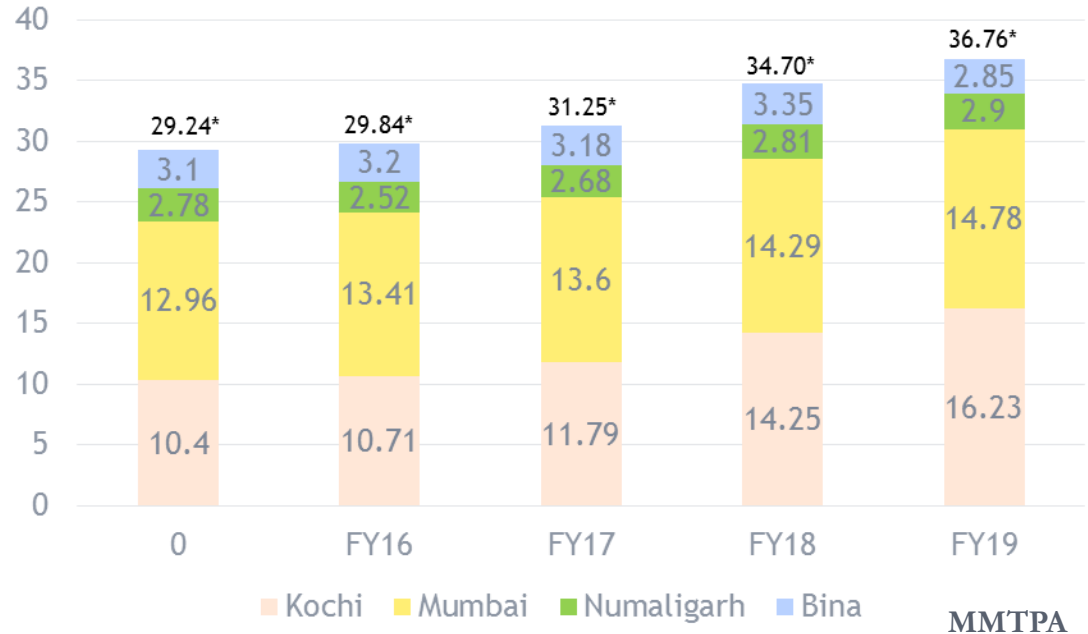
## Installed Capacity

### Refining Capacity



- Capacity Utilization consistently above nameplate capacities
- State of the art refinery at Bina

## Refining Throughput



\* Bina Refinery throughput is considered proportionately because it's a 50:50 JV

Four Strategically located refineries across India

Refinery Utilization rates above name-plate capacities

937-km cross country pipeline to source crude to BORL

# Bina Refinery

- Bharat Oman Refineries Limited (BORL) - BPCL Interest 50% with 7.8 MMT Refining capacity at BINA
- State of art technologies - High Nelson Complexity Index 11.5
- Associated Facilities - SPM, Crude Oil Terminal, 937-km cross country crude oil pipeline from Vadinar to Bina (VBPL)
- Bina Kota Pipeline for evacuation of products
- Low cost capacity expansion from 6 MMTPA to 7.8 MMTPA
- GRM of \$6.8/bbl during Apr-Dec 19 and \$9.8/bbl during FY19



Pipelines : - - - - -

Bina refinery to consolidate refining portfolio required to support downstream retailing market in Northern and Central India

# Numaligarh Refinery

- Numaligarh Refineries Limited (NRL) - BPCL Interest 61.65% with 3 MMT Refining capacity in the north-eastern state of Assam
- Largest producer of paraffin wax in the country
- GRM of \$9.89/bbl during Apr-Dec 2019 and \$11.80/bbl during FY19

## Expansion Plans

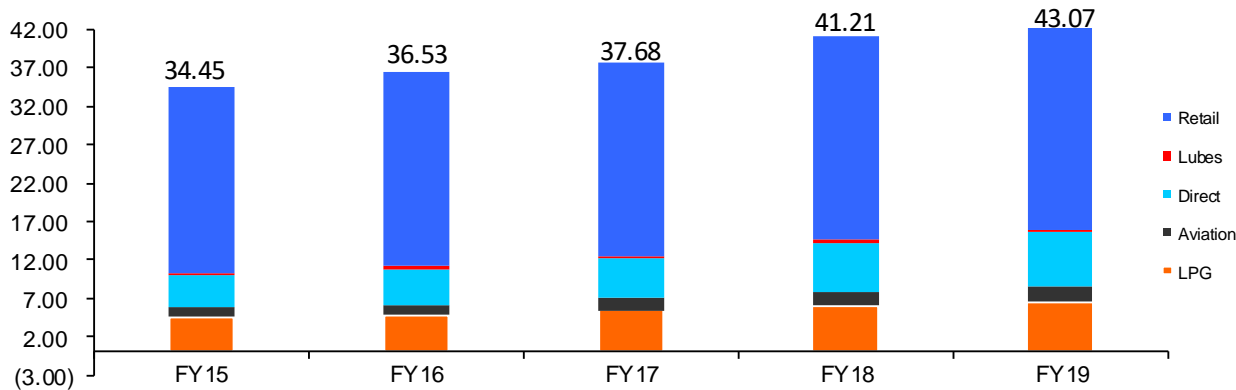
- Capacity expansion from from 3 to 9 MMTPA
- Total Project Cost of Rs.22,594 crores
- Integrated with an 8 MMTPA 1,398 km crude pipeline from Paradip to Numaligarh
- Integrated with a 6 MMTPA 650 km product pipeline from Numaligarh to Siliguri

## Other Projects

- Diesel Hydrotreater Project with capex of Rs.1031 crores completed in Jan 2018
- Bio-refinery through JV planned at a cost of Rs.1,259 crores at Numaligarh
- 129.5 km India Bangladesh Product Pipeline at a cost of Rs.346 crores including Government Grant-in-Aid of Rs.285 crores

# Marketing Operations and Efficiencies

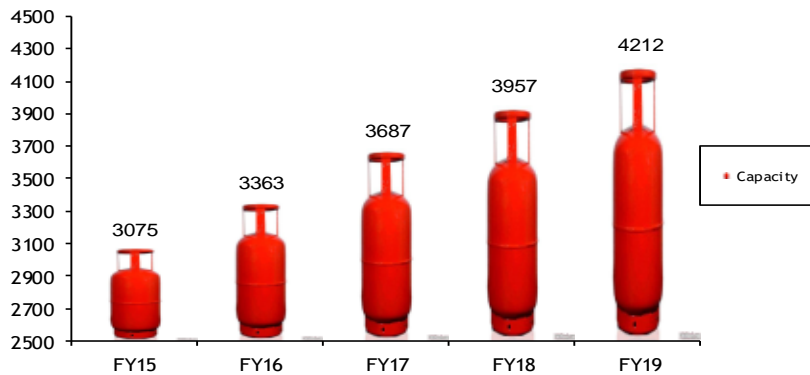
## SBU Market Sales (MMT)



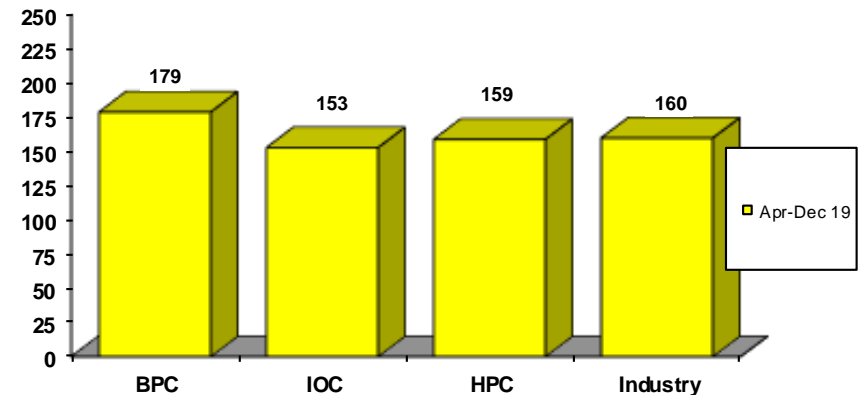
## Retail Market Share of MS & HSD \*

- MS > 28.62%
- HSD > 28.83%

## LPG Bottling Plant Capacity (TMTPA)



## Thru'put per Outlet BPC Vs. Industry (KL/month)



\* Market share is PSU Market share on Dec 19

Leading Player with a Diversified product portfolio and a well-established Marketing and Distribution network

## Ongoing projects – thriving to be self sufficient integrated source of fuel supply

- **Kochi Refinery – MS Block Project for Euro VI grade gasoline**
- **Mumbai Refinery – Gasoline Hydro-treatment Unit**
- **Kochi – Diversification into Niche Petrochemicals – Mechanical completion of Propylene Derivatives Petrochemical Project (PDPP)**
- **Retail : Network expansion with infrastructure growth and upgradation**
- **LPG import terminal at Haldia, West Bengal**
- **Bina Kanpur Product Pipeline**

Significant Expansion in Downstream & Marketing network to drive future growth

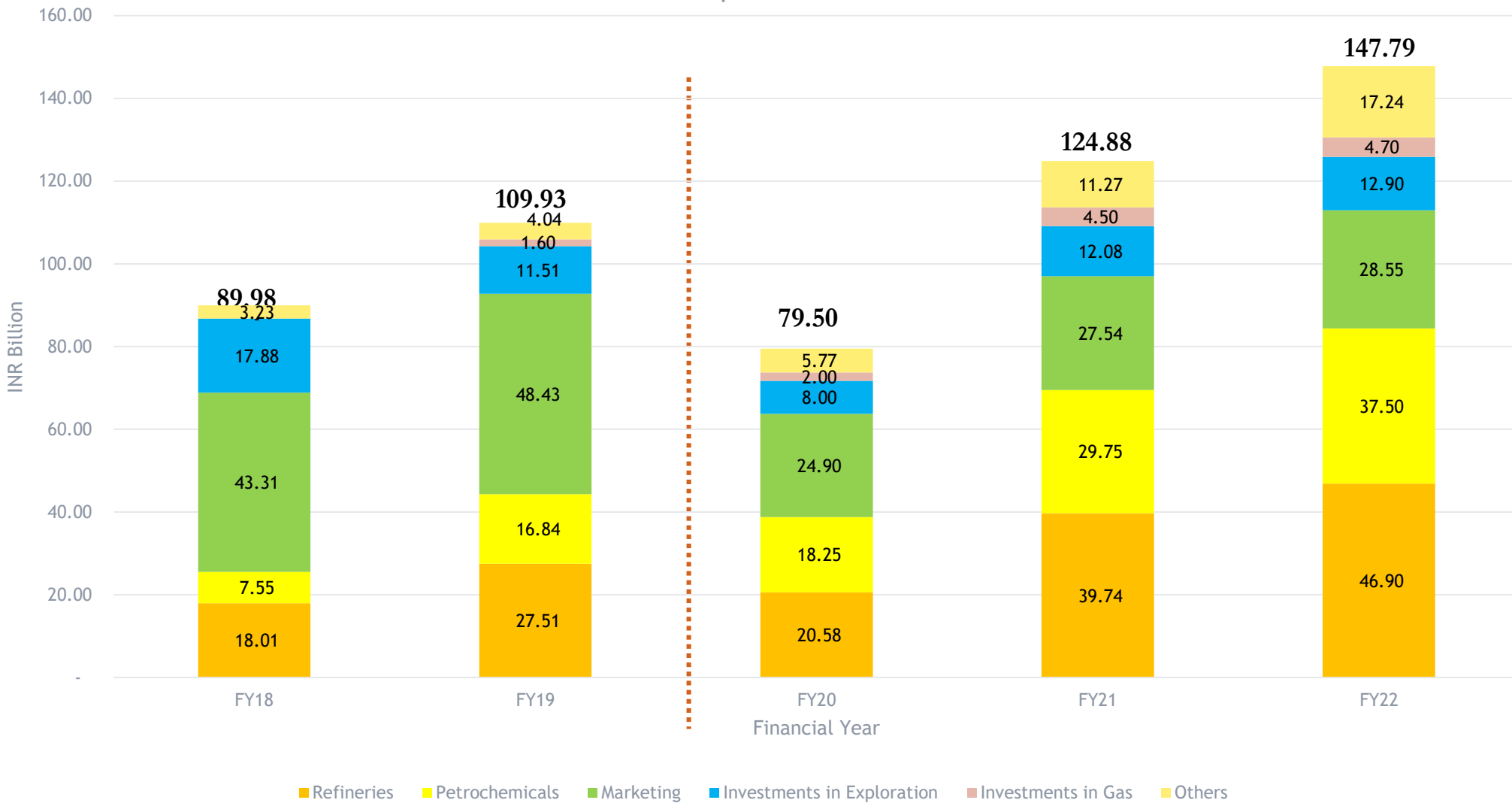
# Upcoming projects

- Investments in Mozambique – FID completed
- Refineries – Upgrade/ Expansion / De-bottlenecking
- **NRL Refinery –Capacity Expansion from 3 MMTPA to 9 MMTPA**
- Investments in Gas – 11 GAs in 9<sup>th</sup> round and 2 GAs in 10<sup>th</sup> round
- Expansion of marketing infrastructure across all business verticals
- Bio-refinery at Bargarh, Bina and Bhandara
- Polyol Project at Kochi
- New facilities at Rasayani near Mumbai
- 6000 new retail outlets in the next three years

More expansions in Upstream, Downstream business & Marketing network

# Capex Strategy

Capex Data

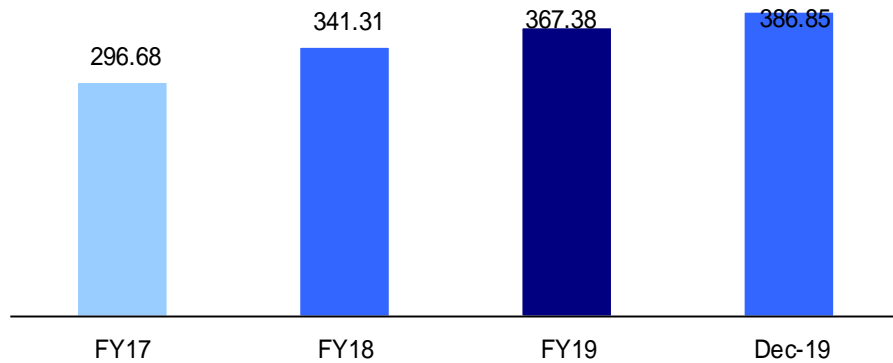


Significant Expansion in Upstream and Downstream business to drive future growth

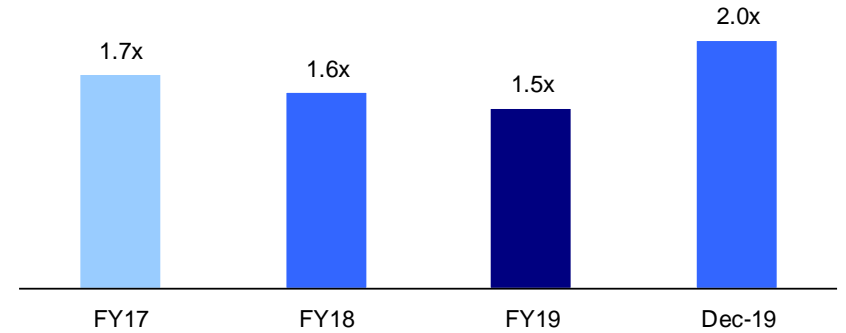


# Improved Financial Performance

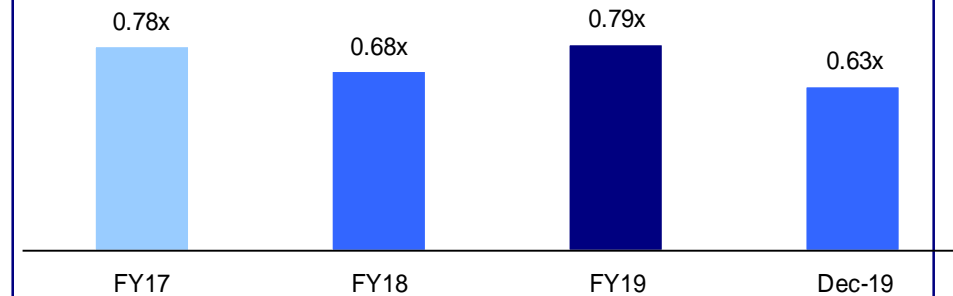
**Net Worth (INR bn)**



**Total Debt / EBITDA**

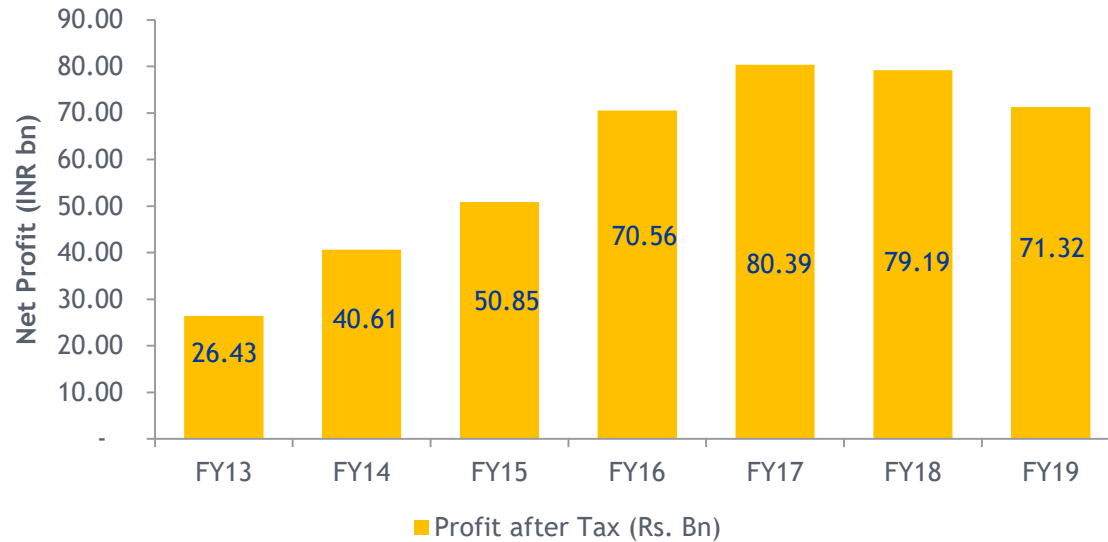


**Total Debt / Equity**

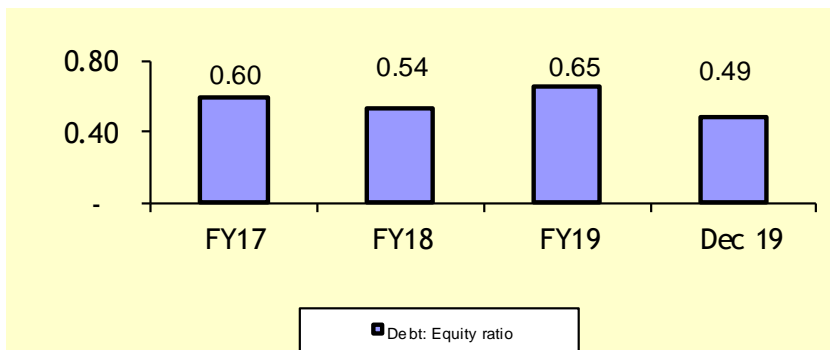


Stable Earnings and Sound Financial Leverage driving Credit Strength

# Improved Financial Performance

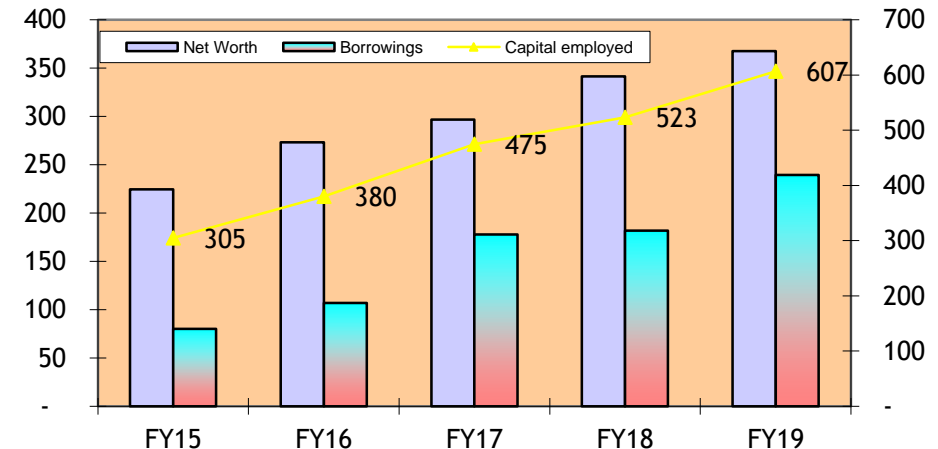


## Adjusted Debt-Equity Ratio <sup>(1)</sup>



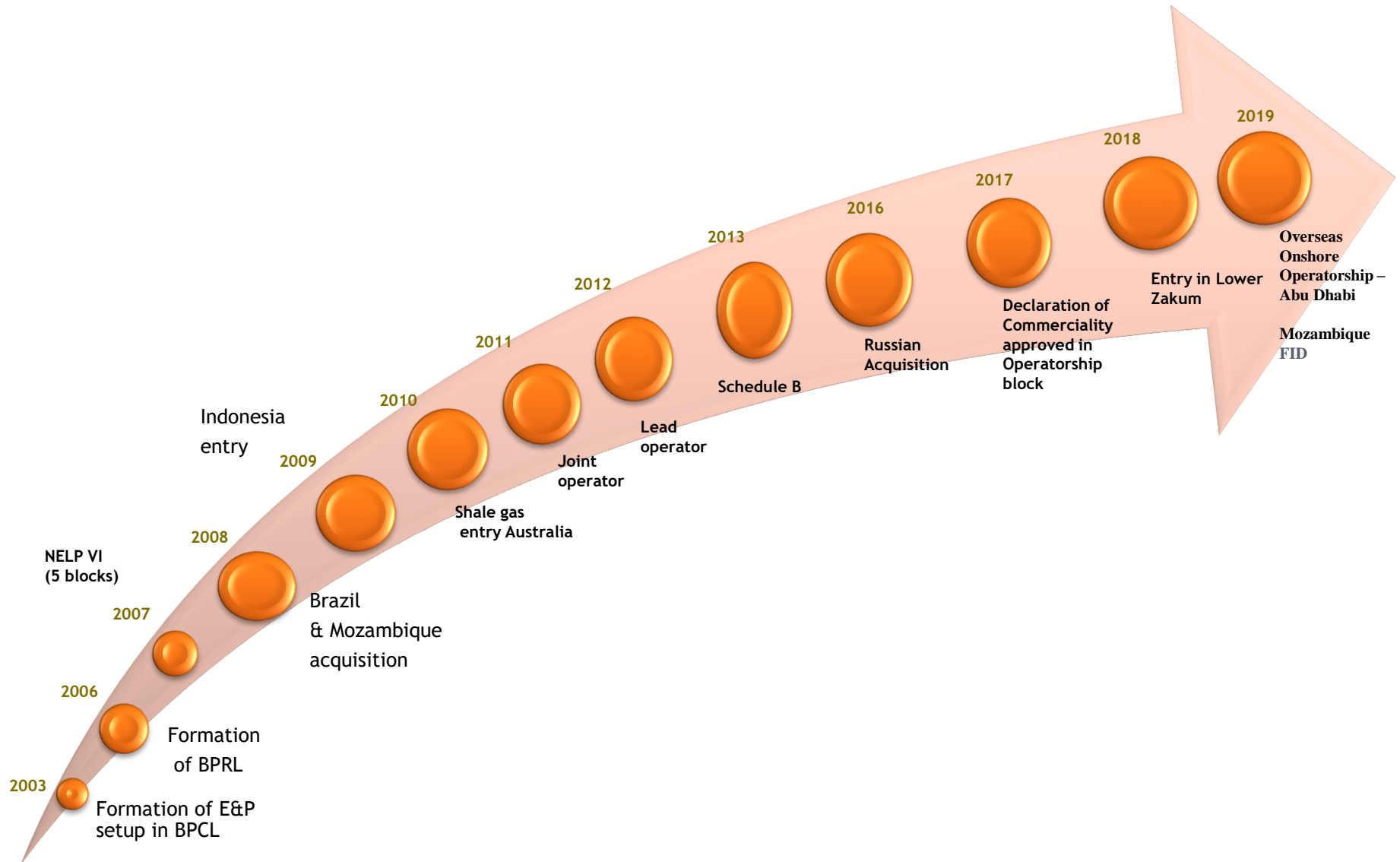
(1) Adjusted for bonds outstanding as on period end

## Adjusted Capital Employed (INR Billion) <sup>(1)</sup>

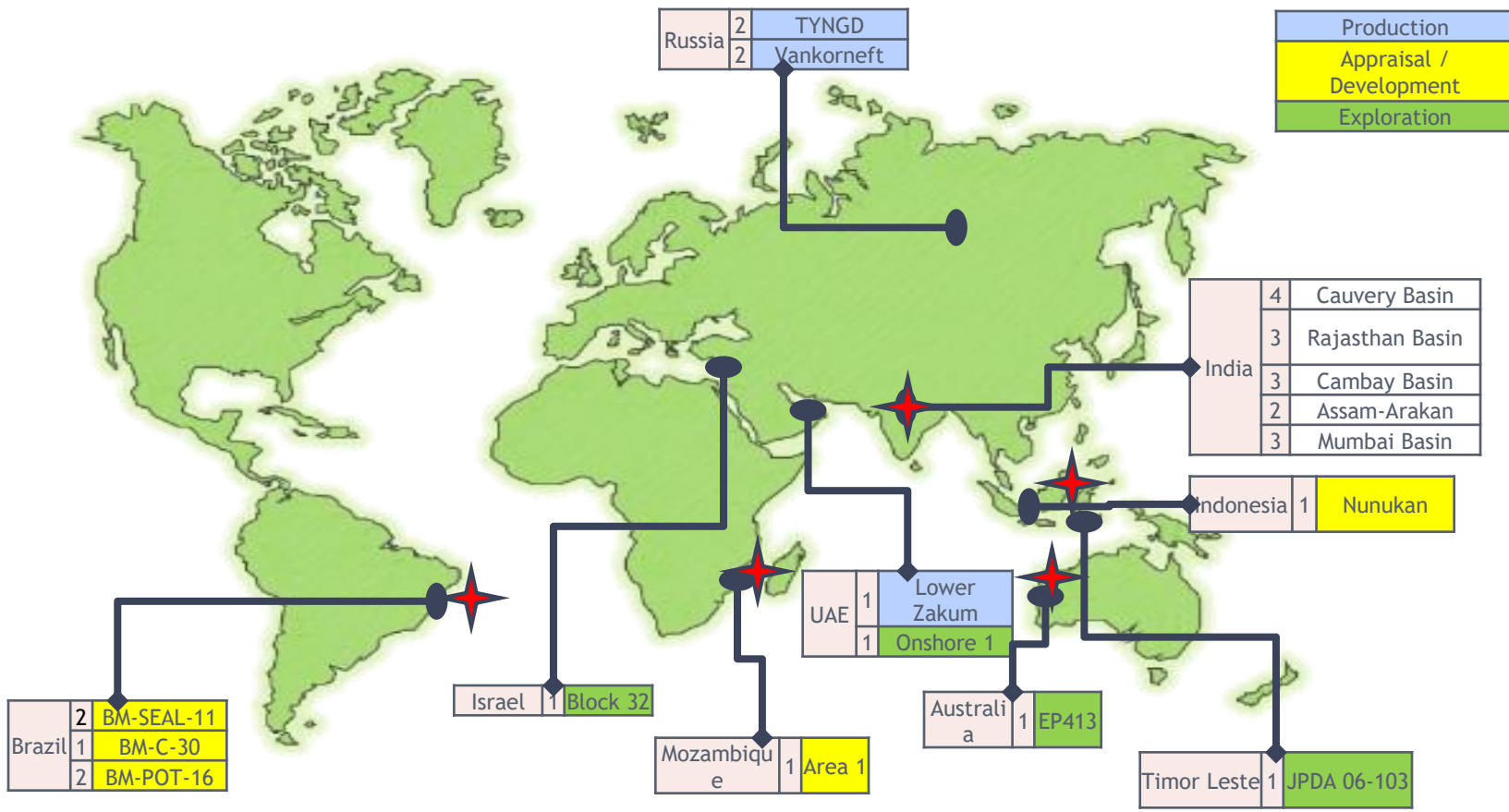


Stable Earnings and Sound Financial Leverage driving Credit Strength

# BPRL's Upstream Story over the years.....



# Upstream Global Spread



 **Discovery Location**

*26 Exploration Discoveries*

# Global Upstream Footprint

Partnership with established Oil and Gas operators expected to generate optimal returns for BPCL.

## Within India

Exploration Block	Operator	BPCL Stake	Partners
<b>NELP—IV</b>			
CY/ONN/2002/2	ONGC	40.0%	ONGC
<b>NELP—VI</b>			
CY/ONN/2004/2	ONGC	20.0%	ONGC
<b>NELP—VII</b>			
RJ/ONN/2005/1	HOEC, BPRL	33.33%	IMC
<b>NELP—IX</b>			
CB/ONN/2010/11	GAIL, BPRL	25.0%	EIL, BIFL, MIEL
AA/ONN/2010/3	OIL	20.0%	ONGC
CB-ONN-2010/8	BPRL, GAIL	25.0%	EIL, BIFL, MIEL
MB-OSN-2010/2	OIL	20.0%	HPCL
<b>DSF 2016</b>			
CY/ONDSF/KARAIKAL/2016	BPRL	100%	-
RJ/ONDSF/BAKHRI TIBBA/2016	BPRL	100%	-
MB/OSDSF/B15/2016	BPRL	100%	-
RJ/ONDSF/SADEWALA/2016	BPRL	100%	-
MB/OSDSF/B127E/2016	BPRL	100%	-
CB-ONHP-2017/9	BPRL	60%	-
CY-ONHP-2017/1	ONGC	40%	-
AA-ONHP-2017/12	OIL	10%	-

1. BPCL's effective stake held through 50:50 JV with Videocon.

2. BPCL's effective stake held through SPV with OIL & IOCL

3. BPCL's effective stake held through SPV with ONGC Videsh & IOCL

## Brazil

Exploration Block	Operator	BPCL Stake <sup>1</sup>	Partners
BM-SEAL-11 (2 blocks)	Petrobras	20.0%	Videocon
BM-C-30 (1 block)	BP	17.85%	Videocon, Total
BM-POT-16 (2 blocks)	Petrobras	10.0%	Videocon, Petrogal, BP

## Mozambique

Exploration Block	Operator	BPCL Stake	Partners
Mozambique Rovuma Basin	Total	10.0%	PTTEP, Mitsui and Co., ENH, OVL-OIL

## United Arab Emirates

Block	Operator	BPCL Stake	Other Partners
Lower Zakum	ADNOC	3%	CNPC, INPEX, ENI, Total, Falcon Oil <sup>3</sup> , IOCL
Onshore 1	Urja Bharat	50%	(50:50 SPV of BPRL & IOCL)

## Australia and East Timor

Exploration Block	Operator	BPCL Stake	Partners
JPDA 06-103	Oilex	20.0%	GSPC, Videocon, Japan Energy, Pan Pacific Petroleum
EP-413	Norwest	27.8%	AWE Perth Pty Limited

## Russia

Block	Operator	BPCL Stake <sup>2</sup>	Partners
Vankorneft (2 Blocks)	Vankorneft	7.887%	Rosneft, OIL, IOCL, ONGC
TAAS- Yuryakh (2 Blocks)	TYNGD	9.867%	Rosneft, BP, OIL, IOCL

## Israel

Exploration Block	Operator	BPCL Stake	Partners
Block 32	ONGC Videsh	25%	IOCL, OIL

## Indonesia

Exploration Block	Operator	BPCL Stake	Partners
Nunukan PSC, Tarakan Basin	Pertamina	12.5%	Videocon Industries

# Highly Experienced Management Team

The senior management team has in-depth knowledge and extensive experience in the Oil and Gas industry.

## Best in Class Management Team in Place



### Mr. D Rajkumar, Chairman & Managing Director

- 32 years of experience, out of which almost 15 years of board experience as MD of BPCL's JV and subsidiary companies
- Has experience in marketing, to pipeline projects and across the integrated upstream and downstream oil sector



### Mr. N. Vijayagopal, Director Finance

- He has vast experience of 31 years in financial management and is a member of the Institute of Chartered Accountants of India and a Bachelor of Law.
- He has experience in Treasury Management, Risk Management, Taxation and Budgeting, Fund Management etc.



### Mr. R Ramachandran, Director Refineries

- Almost 34 years of industry experience
- Has previously held the post of MD, Bharat Oman Refineries and has experience across Refinery Operations, Product Planning, Technical Services, Project Conceptualization, and Project Financing



### Mr. K Padmakar, Director Human Resources

- Over 33 years of experience with BPCL
- He has had experience across HR and ERP functions



### Mr. Arun Kumar Singh, Director Marketing

- Over 33 years of industry experience in Oil Marketing
- Director on boards of Indraprastha Gas Ltd. and Bharat Gas Resources Ltd.
- He has headed functions like Pipelines, Supply Chain Optimization, Retail Business Unit, LPG Business Unit, Central Procurement etc.

## Numerous Awards & Recognition

### Awarded 'Maharatna' Status

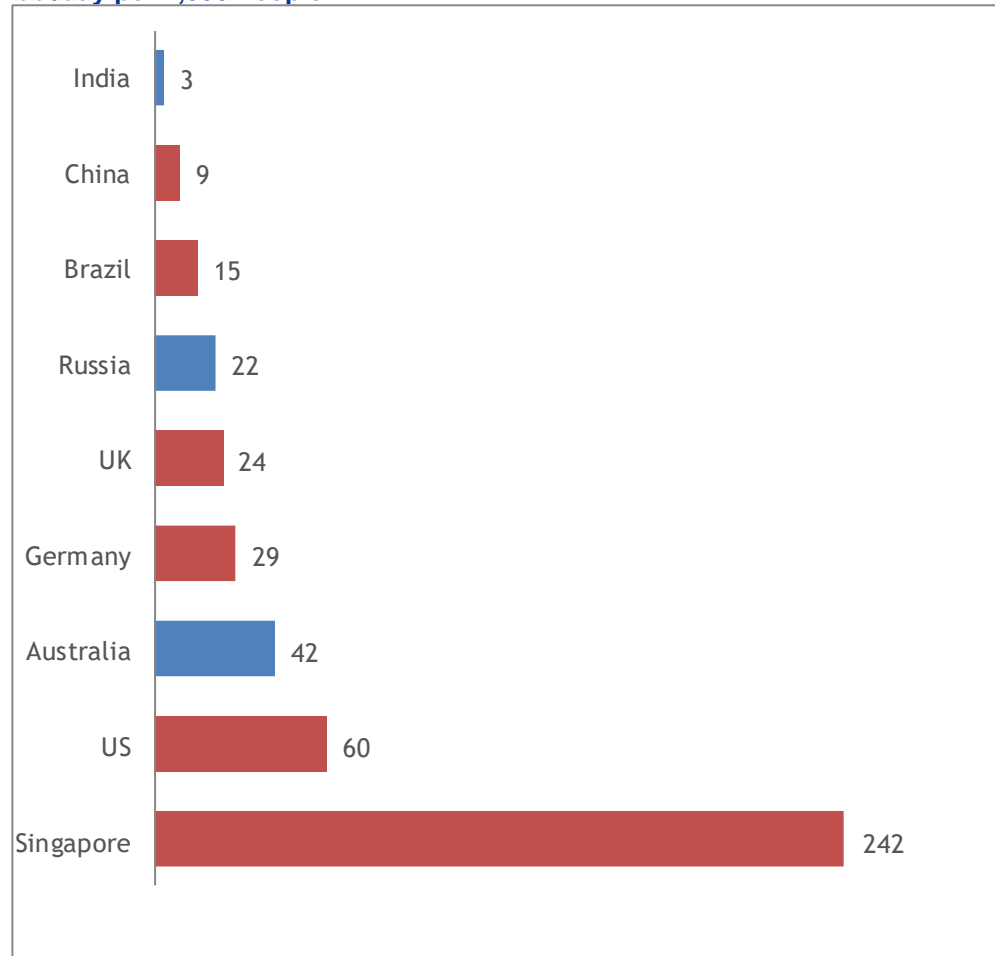


### 3. Industry Overview

# India – Attractive Industry Dynamics

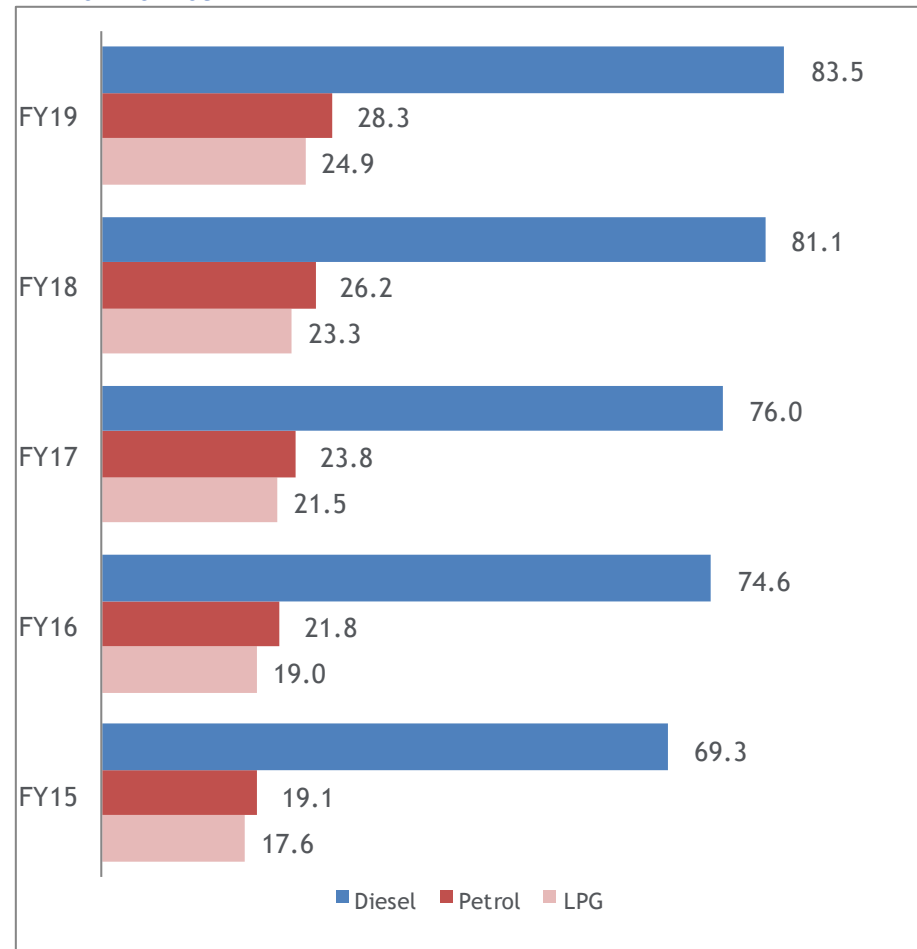
Significant potential for domestic O&G companies given low per-capita oil consumption and growing demand.

## Per Capita Oil Consumption bbl/day per 1,000 People



Source: Oil Consumption from BP Statistical Review 2016, Population from World Bank, Estimates 2015

## India Oil Demand Million Tonnes



Source: PPAC



## Positive Policy actions

- Petrol Prices De-regulated completely
- Gasoil (Retail) – Deregulation announced effective 19<sup>th</sup> October 2014
- Gasoil – Bulk sales completely deregulated since January 2013
- Restricted supply/Targeted subsidies for cooking fuel products
- LPG DBTL scheme - Domestic LPG fully enrolled
- SKO PDS DBTK scheme – launched on pilot basis in 4 districts and now implemented in the state of Jharkhand
- Govt. has consistently compensated OMCs including BPCL for under recoveries and ensured reasonable profitability



**Thank You**