

EARNINGS GROWTH ENGINE IN SLOW LANE

Corporate results in Q3FY25 showed continued sluggishness in revenue growth, while net profits saw relatively better performance, driven by lower input, employee, and interest costs. Five of the 10 largest revenue-generating sectors – oil & gas, mining & metals, FMCG, cement, and automobiles – witnessed year-on-year (Y-o-Y) declines in net profit, or saw no growth. The oil & gas sector reported flat revenues, and cement makers witnessed a Y-o-Y drop in net sales. Capital goods, construction & infrastructure companies stood out, posting double-digit growth in revenues and profits. Pharma and BFSI (banking, financial services, and insurance) sectors also showed positive results. IT services firms, while reporting modest single-digit revenue growth, saw improved margins. Here is the top 10 sectors' earnings scorecard compiled by KRISHNA KANT & RAM PRASAD SAHU



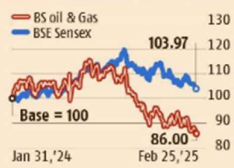
OIL & GAS

Q3FY25 (% chg Y-o-Y)	Net sales	Raw material cost	Employee expenses	Total expenditure	PBITD	Net profit
Reliance	6.6	3.7	13.3	6.4	7.8	7.4
Indian Oil Corp	-2.9	0.9	-8.7	1.8	-49.0	-76.6
ONGC	-0.8	-5.6	3.5	-3.5	8.2	-19.4
BPCL	-2.0	-3.9	12.7	-3.3	12.5	19.6
GAIL India	6.2	10.7	10.0	10.4	24.5	27.8

Oil & Gas companies were among the biggest laggards in Q3 with flat revenues and double-digit decline in net profit

The sector's combined net sales were up 0.6 per cent Y-o-Y and combined net profit was down 21.2 per cent Y-o-Y in Q3FY25, the fourth consecutive quarter of earnings contraction

Public sector oil majors such



as Indian Oil, ONGC, Hindustan Petroleum and Oil India were the biggest laggards with Y-o-Y contraction in revenues and



profits either due to lower product prices (under recoveries) or low refining and marketing margins

Gail (India), Indraprastha Gas and Mahanagar Gas performed relatively better with single-digit growth in net sales on Y-o-Y basis and sequential growth in net profit



AUTOMOBILES

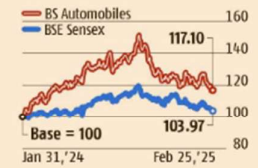


Q3FY25 (% chg Y-o-Y)	Net sales	Raw material cost	Employee expenses	Total expenditure	PBITD	Net profit
Tata Motors	2.7	1.7	8.2	5.6	-13.0	-22.4
M&M	17.5	16.8	7.3	14.3	28.2	19.6
Maruti	15.7	16.9	16.7	15.9	12.9	16.2
Samvardhana Motherson	7.9	3.4	17.3	7.3	16.6	62.1
Bajaj Auto	8.2	5.8	19.9	6.8	11.8	8.0

Aided by festival demand and launches, the auto segment reported a low single-digit revenue growth. While rural outperformed urban, passenger vehicles fared better than other segments

With no strong recovery in demand across segments and an uncertain export outlook, Motilal Oswal Research said majority of its coverage companies (14 of 25) saw earnings downgrades in Q3FY25

Brokerages expect growth to slow across segments going ahead with premium market faring better than entry level



While margins were under stress due to unfavourable forex impact, higher discounts with increased marketing expenses, it is expected to be stable in Q4FY25

Nomura Research prefers stocks with strong model cycle tailwinds driving market share gains like M&M



METALS & MINING

Q3FY25 (% chg Y-o-Y)	Net sales	Raw material cost	Employee expenses	Total expenditure	PBITD	Net profit
Hindalco	10.6	9.9	-1.2	8.3	31.0	60.2
Tata Steel	-3.0	6.6	-7.0	-3.1	-3.0	-36.4
JSW Steel	-1.3	9.8	-2.8	3.2	-23.5	-70.3
Coal India	-1.0	9.0	-3.0	1.2	-6.0	-17.0
UltraTech Cement	2.7	6.5	10.5	6.1	-8.0	-17.3



Mining & metal companies underperformed in Q3 with low single-digit growth in revenue and flat net profit

In Q3FY25, the sector's combined net sales were up 4 per cent Y-o-Y, while the combined net profit inched up by 0.1 per cent Y-o-Y

The industry's Ebitda margin was up 20 basis points Y-o-Y



to 18.6 per cent of net sales, the second best in the last 10 quarters thanks to gains from benign raw material and energy costs

Brokerages remain upbeat on metal companies' earnings for FY26 on account of higher volume growth, but the sector saw a cut in its earnings for FY25



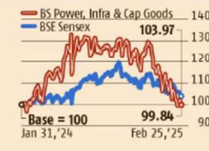
CAPITAL GOODS, INFRA & POWER

Q3FY25 (% chg Y-o-Y)	Net sales	Raw material cost	Employee expenses	Total expenditure	PBITD	Net profit
Larsen & Toubro	17.3	50.8	16.2	18.4	10.3	14.0
NTPC	5.2	4.3	0.3	0.9	3.1	-1.8
Tata Power Co	5.1	-5.4	7.8	0.6	4.5	8.2
HAL	14.8	20.7	-0.3	14.0	21.9	14.1
Siemens	-3.3	-9.3	7.7	-2.2	15.1	21.5

Capital goods firms like Bharat Heavy Electricals (Bhel), ABB and Suzlon Energy outperformed with strong double-digit growth in revenue and profit in Q3FY25

Construction and infrastructure developers provided a mixed picture with large players such as Larsen & Toubro (L&T), Kalpataru and KEC reporting single-digit growth in net sales and profit while smaller companies struggled with revenues and earnings contraction

Analysts attributed it to sluggishness in new project awarding by large agencies



such as NHAI leading to lower revenues for EPC companies

Brokerages remain upbeat on capital goods & defence equipment makers such as Bhel, ABB, L&T and Hindustan Aeronautics. In contrast, they see muted growth for power utilities and pure-play EPC and construction firms



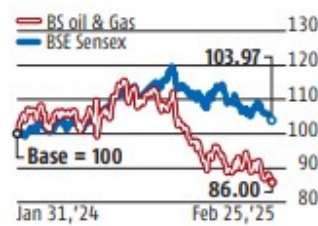
तेल एवं गैस

Q3FY25 (% chg Y-o-Y)	Net sales	Raw material cost	Employee expenses	Total expenditure	PBIDT	Net profit
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■ तेल एवं गैस कंपनियां तीसरी तिमाही में सपाट राजस्व और शुद्ध लाभ में दो अंक की गिरावट के साथ पिछड़ी रहीं

■ इस क्षेत्र की संयुक्त शुद्ध बिक्री सालाना आधार पर 0.6 प्रतिशत तक बढ़ी और संयुक्त शुद्ध लाभ तीसरी तिमाही में सालाना आधार पर 21.2 प्रतिशत तक घट गया। इस क्षेत्र को लगातार चौथी तिमाही में आय पर दबाव का सामना करना पड़ा

■ इंडियन ऑयल, ओएनजीसी, हिंदुस्तान पेट्रोलियम और ऑयल इंडिया जैसी



सार्वजनिक क्षेत्र की तेल कंपनियों पर सबसे ज्यादा दबाव पड़ा, क्योंकि उत्पादों की कम कीमतों या कम रिफाइनिंग एवं विपणन मार्जिन की वजह से उनके राजस्व और



मुनाफे में सालाना आधार पर कमी आई

■ गेल (इंडिया), इंदरप्रस्थ गैस और महानगर गैस जैसी गैस कंपनियों ने सालाना आधार पर शुद्ध लाभ में एक अंक की वृद्धि और शुद्ध लाभ में तिमाही आधार पर वृद्धि के साथ बेहतर प्रदर्शन किया

■ रिलायंस इंडस्ट्रीज ने भी समेकित शुद्ध बिक्री में दो अंक की वृद्धि के साथ बेहतर प्रदर्शन किया और तीन तिमाहियों में सालाना गिरावट के बाद शुद्ध लाभ में एक अंक की वृद्धि दर्ज की