

May 10, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	678		655	
Sales (Rs. bn)	468	521	464	519
% Chng.	0.8	0.5		
EBITDA (Rs. bn)	54	63	55	61
% Chng.	(2.2)	2.8		
EPS (Rs.)	38.4	48.5	38.7	46.7
% Chng.	(0.5)	4.0		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	386	393	468	521
EBITDA (Rs. bn)	47	47	54	63
Margin (%)	12.2	11.9	11.5	12.0
PAT (Rs. bn)	26	25	32	40
EPS (Rs.)	32.1	30.5	38.4	48.5
Gr. (%)	24.8	(4.9)	26.1	26.3
DPS (Rs.)	3.0	3.0	3.0	3.0
Yield (%)	0.5	0.5	0.5	0.5
RoE (%)	20.1	16.2	17.4	18.6
RoCE (%)	22.1	18.5	19.5	21.9
EV/Sales (x)	1.3	1.3	1.1	0.9
EV/EBITDA (x)	10.9	11.1	9.5	7.7
PE (x)	18.1	19.0	15.1	11.9
P/BV (x)	3.3	2.9	2.4	2.0

Key Data

JIST.BO | JDSL IN

52-W High / Low	Rs.848 / Rs.497
Sensex / Nifty	79,454 / 24,008
Market Cap	Rs.477bn / \$ 5,591m
Shares Outstanding	824m
3M Avg. Daily Value	Rs.660.34m

Shareholding Pattern (%)

Promoter's	60.88
Foreign	21.38
Domestic Institution	6.92
Public & Others	10.82
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	13.1	(18.4)	(14.7)
Relative	5.1	(18.4)	(22.3)

Tushar Chaudhari

tusharchaudhari@plindia.com | 91-22-663222391

Satyam Kesarwani

satyamkesarwani@plindia.com | 91-22-66322218

Strong domestic; improving export market outlook

Quick Pointers:

- Mgmt. guided for cons FY26 EBITDA/t range of Rs19k-21k with 9-10% YoY volume growth as traction is improving in key export markets like US & EU.
- Chromeni plant is operating at 55% utilization in Apr'25 and expected to ramp up to ~75% by end FY26E.

Jindal Stainless (JDSL) reported largely in-line standalone operating performance in Q4FY25 led by strong volume growth. Volumes grew 13% YoY to 643kt led by strong 17% YoY domestic volume growth led by infra, metro and railways sector. Exports volume continued to remain weak and contributed ~8% to total volumes however mgmt. is seeing good traction in key quality conscious markets of EU and US in near to medium term. Average realization declined 2% QoQ as domestic pricing came under pressure post US tariff talks amid continued cheap imports from Vietnam & China. Mgmt. indicated SS industry body would file anti-dumping petition in few weeks as imports from Vietnam have shot up significantly in FY25. EBITDA/t was tad better than PLe at Rs13,857 despite series 400 contribution (having least nickel content) coming off in recent quarters. We believe JDSL can grow much faster than guided 9-10% volume growth as mgmt. is seeing traction in exports and domestic demand remains strong. Gol's efforts to promote SS usage along India's large coastline has enhanced market awareness and encouraged material substitution. We expect domestic SS volume growth to remain strong over next few years led by automotive, railway coaches, metro, white goods, and pipes & tubes sectors. Critical sectors, such as process, hydrogen, and nuclear industries hold significant growth potential for the next many years.

We expect JDSL to deliver double digit volume CAGR over FY25-27E led by ramp up of Chromeni and upcoming 1.2mtpa SSMS in Indonesia (which would increase its capacity to 4.2mtpa by FY27). Things to watch out for: a) uptick in key export markets, b) expansion progress, and c) SS and nickel pricing spreads. We expect JDSL to deliver a strong 15%+ CAGR over FY25-27E as it has adequate capacities. We tweak our FY26/27E EBITDA estimates by -2%/+3% incorporating weak SS pricing. We expect revenue/EBITDA/PAT CAGR of 15%/16%/27% over FY25-27E. At CMP, the stock is trading at 9.5x/7.7x EV of FY26E/FY27E EBITDA. Maintain 'Buy' rating with revised TP of Rs678 (earlier Rs655) valuing at 9x EV of Mar'27E EBITDA.

Strong domestic volume led growth: JDSL's merged standalone revenue grew 13% YoY to Rs107.8bn (+7% QoQ; PLe Rs104.64bn) on strong volume growth. Average realization declined 2% QoQ to Rs168k/t (+0.5% YoY; PLe Rs165k/t) as imports from Vietnam and China continued to impact domestic pricing. Stainless steel (SS) volumes grew 12.7% YoY to 643kt (up 9.4% QoQ; PLe 633kt) on strong domestic volumes. Domestic volumes grew ~17% YoY to 591kt while export volumes declined ~18% YoY to 51kt forming ~8% of total JDSL's volumes (up 3% QoQ). In Q4FY25, export demand began to rise, and it is projected to improve in the short and medium term, especially in the quality-conscious markets like the US and EU, as per Mgmt.

EBITDA was impacted by low NSR: Std. EBITDA grew 7.6% YoY to Rs 8.9bn (PL Rs8.3bn; -11% QoQ). EBITDA/t declined 4.5% YoY to Rs13,857 (-19% QoQ; PL Rs13,127/t) which was affected due to weak SS pricing in domestic markets as exports were weak and domestic pricing witnessed pressure post US tariff announcements amid higher imports. RM cost/t increased 2.5% YoY to Rs118k, employee cost grew 9% YoY to Rs3,024/t, Stores declined 17% YoY at Rs6,902/t, P&F declined 4.6% YoY to Rs9,623/t while other expenses grew ~2% YoY to Rs16,579/t which were tad higher despite higher volumes. Cons. EBITDA increased 2.5% YoY to Rs10.6bn better than PL of Rs 10.2bn. JUSL EBITDA declined 2.8% YoY to Rs1.73bn. Cons. reported PAT increased 18% YoY to Rs5.91bn (PL Rs4.9bn). Std PAT of Rs9.25bn includes an interim dividend of Rs2.45bn from JUSL classified under other income.

Q4FY25 Conference Call Highlights:

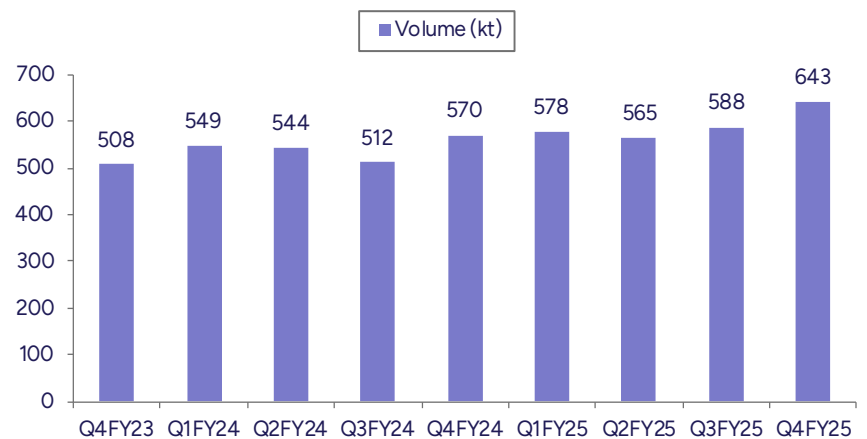
- Consolidated EBITDA/t is expected to be in the range of Rs19,000-21,000 for FY26 as there is visible improvement in exports and a ~20-30% growth in export volumes is expected in FY26.
- JD SL's std. net debt stands at Rs40.5bn. Consolidated debt for end FY26 guided at Rs35bn-Rs37bn. JD SL's net debt to EBITDA stood at 0.86.
- The acquisition of stake in M1 Exchange enables the extension of credit to large OEMs, easing the working capital burden.
- Share of RE power stood at 11%; it is expected to increase to 32-35% on full commissioning of planned capacities. The company recently commissioned the largest solar CPP in Odisha with a capacity of 30MW.
- Jajpur plant is being operated at full utilization and the downstream expansion is undergoing as planned to be commissioned in FY27 due to delays.
- Chromeni plant is currently running at 55-60% CU and is being ramped up to reach 70-75% by Q4FY26.
- Volume mix for 4QFY25 was 37%/47%/16% for Series 200/300/400 respectively.
- The company is focusing on enhancing production of value-add products from the Rabirun unit.
- Rathi unit is currently at 75% CU and the company is focusing on production of SS rebar from the unit to support demand from infra sector.
- FY26 capex is pegged at Rs27-28bn, including spillovers from FY25, as part of the broader Rs55bn capex plan. No new capex has been announced.
- JD SL is planning to develop a 4mtpa capacity at Maharashtra as the state has maximum customers, potential to grow and locational advantage for targeting exports. Although it is in a nascent stage, JD SL plans to spend over Rs400bn over next 10-15 years.

Exhibit 1: Q4FY25 Result Overview - Consolidated

Y/e March (Rs bn)	Q4 FY25	Q4 FY24	YoY gr. (%)	Q4 FY25E	Var. %	Q3 FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	102.0	94.5	7.9	109.0	-6.4	99.1	2.9	393.1	385.6	1.9
Raw material	70.5	126.6	-44.3	75.1	-6.0	135.2	-47.8	268.7	267.1	0.6
<i>% of Net Sales</i>	<i>69.2%</i>	<i>133.9%</i>		<i>68.9%</i>	<i>0.4</i>	<i>136.5%</i>		<i>68.3%</i>	<i>69.3%</i>	
Staff Cost	2.3	1.9	20.9	2.4	-6.3	2.2	3.1	8.6	6.4	33.1
<i>% of Net Sales</i>	<i>2.2%</i>	<i>2.0%</i>		<i>2.2%</i>	<i>0.1</i>	<i>2.2%</i>		<i>2.2%</i>	<i>1.7%</i>	
Stores and spares consumed	4.4	5.1	-13.2	6.4	-31.8	5.3	-17.8	19.1	17.8	7.5
<i>% of Net Sales</i>	<i>4.3%</i>	<i>5.3%</i>		<i>5.9%</i>	<i>-27.1</i>	<i>5.4%</i>		<i>4.9%</i>	<i>4.6%</i>	
Power & fuel	6.7	6.0	11.7	7.3	-7.5	6.2	8.9	24.4	22.2	9.7
<i>% of Net Sales</i>	<i>6.6%</i>	<i>6.4%</i>		<i>6.7%</i>	<i>-1.1</i>	<i>6.2%</i>		<i>6.2%</i>	<i>5.8%</i>	
Other expenses	7.5	6.1	22.0	7.6	-1.7	6.3	19.5	25.7	25.0	2.9
<i>% of Net Sales</i>	<i>7.3%</i>	<i>6.5%</i>		<i>7.0%</i>	<i>5.0</i>	<i>6.3%</i>		<i>6.5%</i>	<i>6.5%</i>	
Total expenditure	91.4	145.7	-37.3	98.8	-7.5	155.2	-41.1	346.5	338.6	2.3
EBITDA	10.6	-51.1	-120.7	10.2	3.9	-56.1	-118.9	46.7	47.0	-0.8
<i>Margin (%)</i>	<i>10.4%</i>	<i>-54.1%</i>		<i>9.4%</i>	<i>11.0</i>	<i>-56.6%</i>		<i>11.9%</i>	<i>12.2%</i>	
Depreciation	2.4	2.3	3.4	2.4	-0.6	2.4	-0.2	9.6	8.8	8.8
EBIT	8.2	-53.5	-115.3	7.8	5.3	-58.5	-114.0	37.1	38.3	-3.0
Other income	0.9	0.5	70.9	0.6	67.5	1.0	-5.2	1.8	1.7	4.4
Interest	1.5	1.5	-2.3	1.6	-6.1	1.6	-6.7	6.1	5.5	10.3
PBT	7.6	-54.5	-114.0	6.8	13.1	-59.1	-112.9	32.8	34.4	-4.8
Extraordinary income/(expense)	-0.1	-0.017	NA	0.0	NA	0.0	NA	-0.1	1.0	NA
PBT (after EO)	7.6	-54.5	-113.9	6.8	12.1	-59.1	-112.8	32.7	35.4	-7.7
Tax	1.4	2.0	-31.0	1.8	-20.9	2.4	-41.1	8.4	9.0	-6.6
Reported PAT	6.2	-56.5	-110.9	5.0	23.7	-61.5	-110.1	24.3	26.4	-8.0
Minority interest	-0.0	0.0	NA	-0.0	NA	0.0	NA	-0.1	-0.2	NA
Share of profit/(losses) in Associates	-0.3	0.0	NA	-0.1	NA	-0.1	NA	-0.4	0.5	NA
Net Profit attributable to shareholders	5.9	-56.5	-110.5	4.9	20.9	-61.6	-109.6	23.9	27.1	-11.9
Adjusted PAT	6.0	5.0	18.9	4.9	22.1	6.5	-8.9	24.0	25.9	-7.2

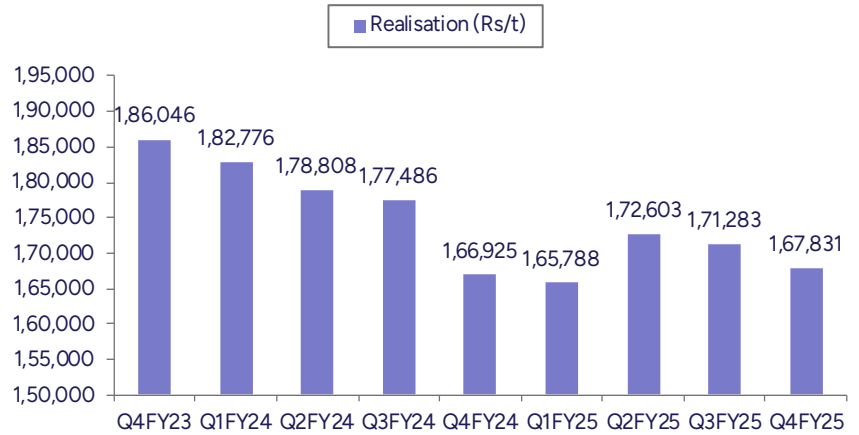
Source: Company, PL

Exhibit 2: Robust vol. growth of 13% YoY aided by domestic demand (17% YoY)



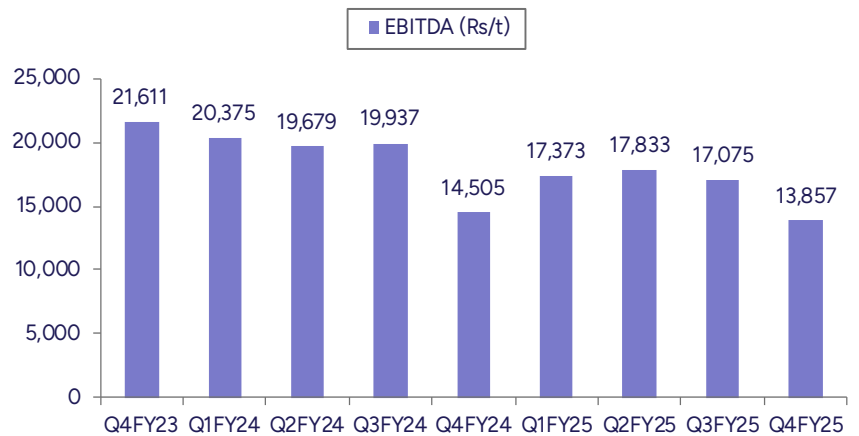
Source: Company, PL

Exhibit 3: Realization/t fell 2% QoQ on lower exports share and flat SS pricing



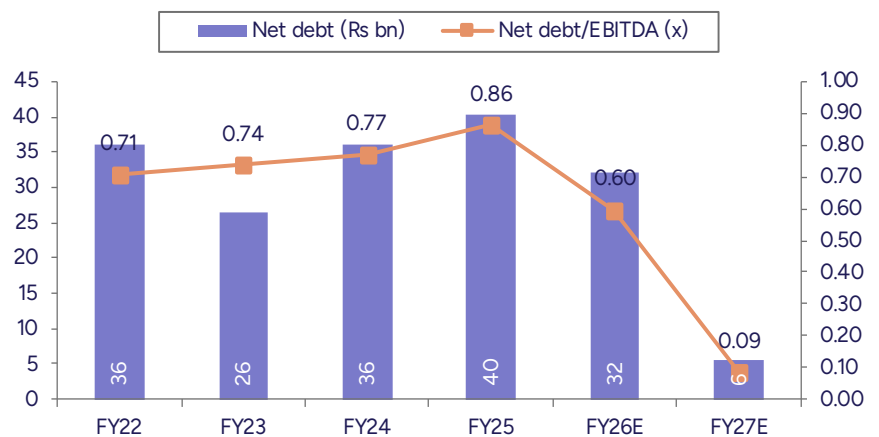
Source: Company, PL

Exhibit 4: EBITDA/t declined 5% YoY due to weak NSR



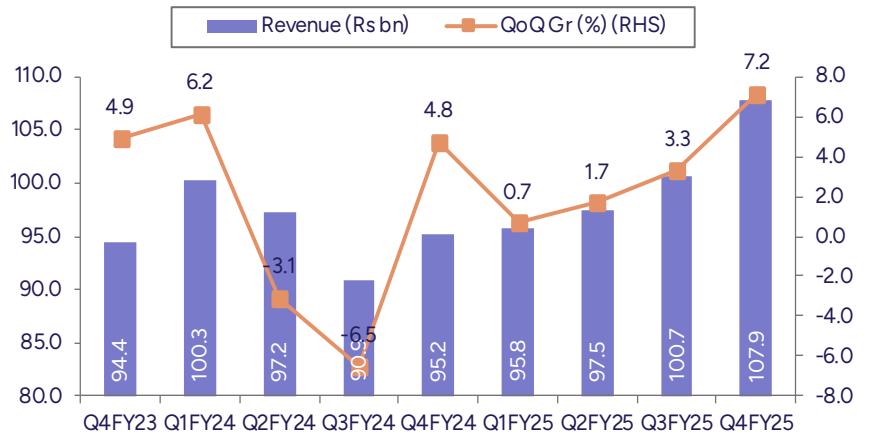
Source: Company, PL

Exhibit 5: JDSL debt metrics to remain at lower end despite ongoing capex



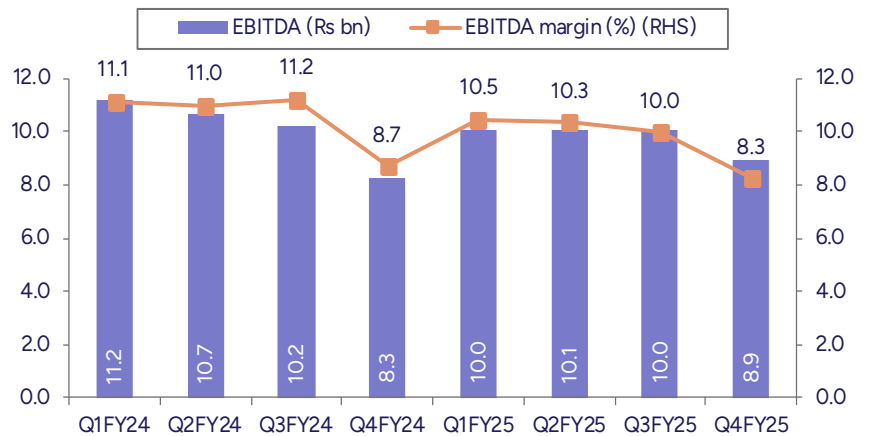
Source: Company, PL

Exhibit 6: Std revenue grew 13% YoY led by strong volume growth (17% YoY)



Source: Company, PL

Exhibit 7: Margins declined YoY due to weak NSR and export volumes



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	386	393	468	521
YoY gr. (%)	8.0	1.9	19.0	11.4
Cost of Goods Sold	267	269	312	343
Gross Profit	118	124	156	178
Margin (%)	30.7	31.7	33.3	34.1
Employee Cost	6	9	9	10
Other Expenses	65	69	93	105
EBITDA	47	47	54	63
YoY gr. (%)	31.2	(0.8)	15.3	16.6
Margin (%)	12.2	11.9	11.5	12.0
Depreciation and Amortization	9	10	11	12
EBIT	38	37	43	51
Margin (%)	9.9	9.4	9.2	9.8
Net Interest	6	6	6	4
Other Income	2	3	3	4
Profit Before Tax	35	34	41	51
Margin (%)	9.2	8.6	8.7	9.8
Total Tax	9	8	10	13
Effective tax rate (%)	25.4	24.8	25.0	26.0
Profit after tax	26	25	31	38
Minority interest	0	0	0	0
Share Profit from Associate	1	0	1	2
Adjusted PAT	26	25	32	40
YoY gr. (%)	24.8	(4.9)	26.1	26.3
Margin (%)	6.8	6.4	6.8	7.7
Extra Ord. Income / (Exp)	1	0	-	-
Reported PAT	27	25	32	40
YoY gr. (%)	28.3	(7.7)	26.4	26.3
Margin (%)	7.0	6.4	6.8	7.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	27	25	32	40
Equity Shares O/s (bn)	1	1	1	1
EPS (Rs)	32.1	30.5	38.4	48.5

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	181	200	212	222
Tangibles	168	189	201	211
Intangibles	12	12	12	12
Acc: Dep / Amortization	52	61	72	83
Tangibles	48	58	68	80
Intangibles	4	4	4	4
Net fixed assets	129	139	148	147
Tangibles	120	131	140	139
Intangibles	9	8	8	8
Capital Work In Progress	11	18	26	36
Goodwill	3	9	9	9
Non-Current Investments	13	21	21	21
Net Deferred tax assets	(12)	(13)	(13)	(13)
Other Non-Current Assets	4	7	7	7
Current Assets				
Investments	3	0	0	0
Inventories	79	97	115	129
Trade receivables	28	31	37	41
Cash & Bank Balance	20	23	16	17
Other Current Assets	14	10	10	10
Total Assets	308	361	396	423
Equity				
Equity Share Capital	2	2	2	2
Other Equity	142	165	194	232
Total Network	144	167	196	234
Non-Current Liabilities				
Long Term borrowings	46	43	28	3
Provisions	1	1	1	1
Other non current liabilities	4	4	4	4
Current Liabilities				
ST Debt / Current of LT Debt	14	20	20	20
Trade payables	69	91	109	121
Other current liabilities	17	21	24	27
Total Equity & Liabilities	308	361	396	423

Source: Company Data, PL Research



Cash Flow (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	36	33	41	51
Add. Depreciation	9	10	11	12
Add. Interest	6	6	6	4
Less Financial Other Income	2	3	3	4
Add. Other	(2)	(2)	(3)	(4)
Op. profit before WC changes	48	47	54	63
Net Changes-WC	8	7	(4)	(3)
Direct tax	(7)	(6)	(10)	(13)
Net cash from Op. activities	48	47	40	47
Capital expenditures	(15)	(18)	(28)	(20)
Interest / Dividend Income	1	1	3	4
Others	(20)	(18)	-	-
Net Cash from Invt. activities	(33)	(34)	(25)	(16)
Issue of share cap. / premium	-	0	-	-
Debt changes	0	(10)	(15)	(25)
Dividend paid	(3)	(2)	(2)	(2)
Interest paid	(5)	(6)	(6)	(4)
Others	0	0	-	-
Net cash from Fin. activities	(8)	(19)	(23)	(31)
Net change in cash	6	(6)	(8)	(1)
Free Cash Flow	33	28	12	27

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	32.1	30.5	38.4	48.5
CEPS	42.7	42.1	51.4	62.5
BVPS	174.4	202.6	238.1	283.6
FCF	40.6	34.4	14.5	32.5
DPS	3.0	3.0	3.0	3.0
Return Ratio(%)				
RoCE	22.1	18.5	19.5	21.9
ROIC	18.2	14.4	14.6	16.3
RoE	20.1	16.2	17.4	18.6
Balance Sheet				
Net Debt : Equity (x)	0.3	0.2	0.2	0.0
Net Working Capital (Days)	36	34	34	34
Valuation(x)				
PER	18.1	19.0	15.1	11.9
P/B	3.3	2.9	2.4	2.0
P/CEPS	13.6	13.8	11.3	9.3
EV/EBITDA	10.9	11.1	9.5	7.7
EV/Sales	1.3	1.3	1.1	0.9
Dividend Yield (%)	0.5	0.5	0.5	0.5

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	94	98	99	102
YoY gr. (%)	(7.4)	(0.2)	8.5	7.9
Raw Material Expenses	63	68	67	71
Gross Profit	31	30	32	31
Margin (%)	33.3	30.3	32.3	30.8
EBITDA	12	12	12	11
YoY gr. (%)	1.6	(3.6)	(3.1)	2.5
Margin (%)	12.8	12.1	12.2	10.4
Depreciation / Depletion	2	2	2	2
EBIT	10	9	10	8
Margin (%)	10.4	9.7	9.7	8.0
Net Interest	1	2	2	1
Other Income	1	-	1	1
Profit before Tax	9	8	9	8
Margin (%)	9.4	8.5	9.1	7.4
Total Tax	2	2	2	1
Effective tax rate (%)	27.0	27.0	26.1	18.3
Profit after Tax	6	6	7	6
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	6	6	7	6
YoY gr. (%)	(13.1)	(21.0)	(5.4)	18.0
Margin (%)	6.9	6.3	6.6	5.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	6	6	7	6
YoY gr. (%)	(13.1)	(21.1)	(5.4)	18.0
Margin (%)	6.9	6.3	6.6	5.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6	6	7	6
Avg. Shares O/s (bn)	1	1	1	1
EPS (Rs)	7.9	7.4	8.0	7.2

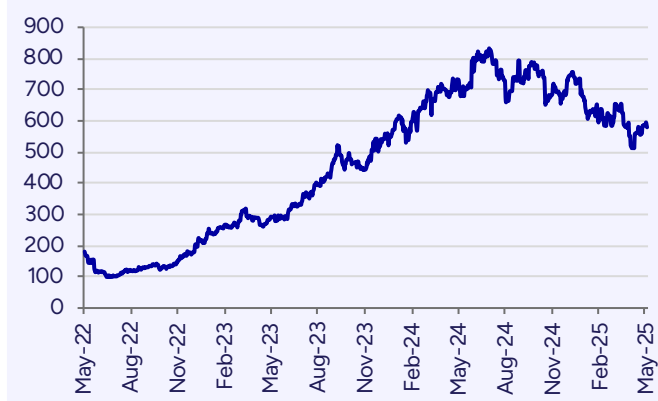
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales volumes (mt)	2.2	2.4	2.6	2.9
Cons EBITDA/t (Rs)	21,633	19,665	20,632	21,689
Reasalisation/t (Rs)	1,76,381	1,69,324	1,70,324	1,71,524

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	23-Apr-25	BUY	655	581
2	08-Apr-25	BUY	655	520
3	24-Mar-25	Accumulate	715	626
4	31-Jan-25	Accumulate	715	649
5	09-Jan-25	Accumulate	739	636
6	19-Oct-24	Accumulate	814	740
7	07-Oct-24	Accumulate	849	779
8	22-Aug-24	Accumulate	836	741
9	02-Aug-24	Accumulate	836	736
10	07-Jul-24	Reduce	712	827

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,383	1,938
2	Ambuja Cement	BUY	658	545
3	Dalmia Bharat	Accumulate	2,117	1,974
4	Hindalco Industries	BUY	736	620
5	Jindal Stainless	BUY	655	581
6	Jindal Steel & Power	Accumulate	978	893
7	JSW Steel	Accumulate	1,150	973
8	National Aluminium Co.	BUY	181	159
9	NMDC	Accumulate	69	68
10	Nuvoco Vistas Corporation	Accumulate	374	343
11	Shree Cement	Reduce	28,336	30,788
12	Steel Authority of India	Hold	118	116
13	Tata Steel	BUY	173	138
14	Ultratech Cement	BUY	13,668	12,114

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

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Tushar Chaudhari- MMS-Finance, Mr. Satyam Kesarwani- BFM, Passed CFA Level I Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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