

August 8, 2025

Q1FY26 Result Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	678		678	
Sales (Rs bn)	468	521	468	521
% Chng.	-	-	-	-
EBITDA (Rs bn)	54	63	54	63
% Chng.	-	-	-	-
EPS (Rs.)	38.4	48.5	38.4	48.5
% Chng.	-	-	-	-

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 (%)	0.4	0.4	0.4	0.4
RoE (%)	20.1	16.2	17.4	18.6
RoCE (%)	22.1	18.5	19.5	21.9
EV/Sales (x)	1.6	1.5	1.3	1.1
EV/EBITDA (x)	12.7	12.9	11.1	9.1
PE (x)	21.3	22.4	17.8	14.1
P/BV (x)	3.9	3.4	2.9	2.4

Key Data

JIST.BO | JDSL IN

52-W High / Low	Rs.803 / Rs.497
Sensex / Nifty	79,858 / 24,363
Market Cap	Rs.563bn/ \$ 6,422m
Shares Outstanding	824m
3M Avg. Daily Value	Rs.685.97m

Shareholding Pattern (%)

Promoter's	61.10
Foreign	21.25
Domestic Institution	7.09
Public & Others	10.56
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(0.1)	6.4	3.0
Relative	4.7	3.8	1.7

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Moderate volumes; waiting for uptick

Quick Pointers:

- Mgmt. reiterated its FY26 guidance for cons EBITDA/t in the range of Rs19,000-21,000 with a volume growth of 9-10%.
- Chromeni is operating at 65% CU and is being ramped up to 80-85% by H2FY26E. It started reporting positive EBITDA in Q1FY26.

Jindal Stainless (JDSL) reported in-line standalone operating performance in Q1FY26 supported by steady domestic volume growth. Overall volumes grew 8.3% YoY to 626kt driven by 9.5% YoY domestic volume growth across segments such as automotive, metro, white goods, lifts and elevators. Exports volume decline is moderated as new base sets in; which should improve depending upon geopolitical issues. Average realization disappointed with 1.6% QoQ decline (despite tad inch up in domestic SS prices) due to continued pressure from imports and inch up in series 400 volumes. Mgmt. reiterated its volume and EBITDA/t guidance led by increased traction from defence, value added variants in Autos and growing usage of SS in large scale infra projects.

We expect JDSL to deliver double digit volume CAGR over FY25-27E led by ramp up of Chromeni in H2FY26 and upcoming 1.2mtpa SSMS in Indonesia (which would increase its capacity to 4.2mtpa by FY27). Things to watch out for: a) Gol action to restrict cheaper SS imports, b) Chromeni ramp up, c) next phase of capacity addition plans, and d) SS and nickel pricing spreads. We expect JDSL to deliver a strong 16% CAGR over FY25-27E as it has adequate capacities. We expect revenue/EBITDA/PAT CAGR of 15%/16%/27% over FY25-27E. At CMP, the stock is trading at 11.7x/9.6x EV of FY26/FY27E EBITDA. Maintain 'Hold' rating with TP of Rs678 valuing at 9x EV of Mar'27E EBITDA.

- **Strong domestic demand aid volume growth:** JDSL's standalone merged revenue grew 8% YoY to Rs103.4bn (-4% QoQ; PLe Rs109.4bn) on stable 8.3% YoY overall volume growth. Average realization declined 1.6% QoQ to Rs165k/t (-0.4% YoY; PLe Rs172k/t) despite uptick in domestic stainless steel (SS) prices during the quarter. This was mostly due to continued pressure from imports and an inch up of series 400 volume share in Q1. SS volumes grew 8.3% YoY to 626kt (down -2.6% QoQ; PLe 636kt) aided by domestic volumes, which grew 9.5% YoY (to 570kt) supported by robust demand from key sectors such as automotive, metro, white goods, and lifts and elevators. Export volumes declined ~2.5% YoY to 56kt forming ~9% of total JDSL's volumes (up 10% QoQ).

- **EBITDA growth driven by subsidiary performance:** Std. EBITDA grew 4.3% YoY to Rs 10.47bn (+17.7% QoQ; PLe Rs10.45bn). EBITDA/t declined 3.7% YoY to Rs16,731 (+20.7% QoQ; PLe Rs16,432/t) which was affected due to higher employee and other expenses. RM cost/t remained flat YoY at Rs111k, employee cost grew 9% YoY to Rs3,254/t, Stores declined 2% YoY at Rs7,703/t, P&F declined 6% YoY to Rs9,508/t while other expenses grew 2.4% YoY to Rs16,945/t. Cons. EBITDA increased 8% YoY to Rs13.09bn better than PLe of Rs 12bn aided by higher contribution from subsidiaries. JUSL EBITDA grew 12% YoY to Rs1.92bn. Cons. reported PAT increased 10.2% YoY to Rs7.14bn.

Q1FY26 Conference Call Highlights:

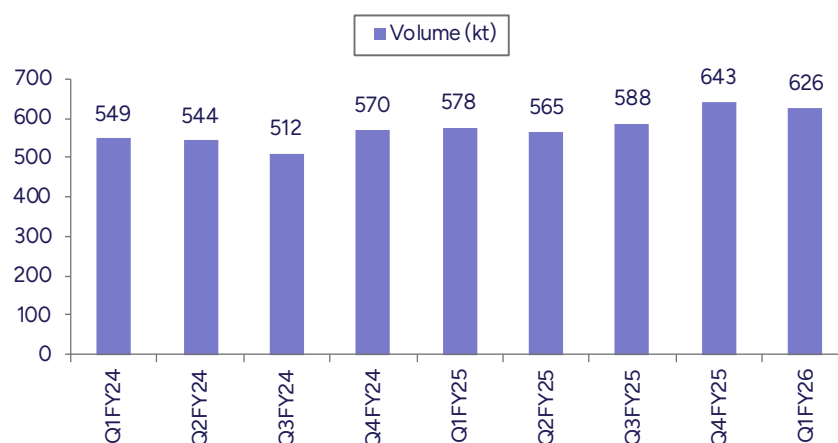
- Mgmt. reiterated its guidance for EBITDA/t to be in the range of Rs19,000-21,000 for FY26 with a volume growth of 9-10%.
- JDSL's consl. net debt declined by Rs1.2bn QoQ to Rs38.7bn with debt-to-equity ratio at 0.2x and debt-to-ebitda ratio at 0.81x.
- Volume mix for Q1FY26 was 36%/46%/18% for Series 200/300/400 respectively. JDSL benefitted from improved product mix and higher volumes of value-added and special grade products.
- The planned capex for FY26 is Rs27bn with Rs6.65bn spent in Q1FY26. For FY27 the mgmt. has guided for a capex of Rs10-12bn. As mgmt. finalizes capex on new project at Maharashtra, detailed plan will be announced.
- JDSL has invested Rs0.79bn for acquiring 33.64% equity stake in Oyster Green Hybrid One Pvt Ltd, to develop a 282MW hybrid RE project for captive power requirements, thereby making it an associate of JDSL w.e.f. 2nd Jun'25.
- Chromeni plant is currently running at 65% CU and is being ramped up to reach 80-85% by H2FY26. Chromeni has achieved EBITDA positive performance in Q1FY26.
- Rathi unit is currently operating at 80-85% capacity utilisation. While the initial strategy was to produce rebars and pellets, ~70% of current production comprises wire rods. However, JDSL ultimately intends to focus on rebars and is seeing a pickup in demand in the coming quarters.
- For new Maharashtra project, land acquisition is on track. The project will be executed in four phases of 1mtpa each. The timeline may be adjusted based on market conditions. Phase 1 capex plans is yet to be finalized.
- The SMS project in Indonesia is progressing well and remains on schedule. The HRAP project is advancing as planned and is expected to be commissioned by H2FY27.
- The Indian Stainless Steel Development Association has filed an application with DGTR, requesting action on certain CR SS flat products from China, Vietnam, and Indonesia. In response, two officials have been assigned to conduct a preliminary inquiry with the industry.

Exhibit 1: Q1FY26 Result Overview - Consolidated

Y/e March (Rs bn)	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	% Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	102.1	94.3	8.2	114.1	-10.5	102.0	0.1	467.8	393.1	19.0
Raw material	67.4	62.9	7.1	79.0	-14.7	70.5	-4.5	311.8	268.7	16.1
<i>% of Net Sales</i>	66.0	66.7		69.3	-4.7	69.2		66.7	68.3	
Staff Cost	2.4	2.0	19.5	2.5	-3.6	2.3	7.8	9.2	8.6	8.0
<i>% of Net Sales</i>	2.4	2.2		2.2	7.7	2.2		2.0	2.2	
Stores and spares consumed	5.3	4.8	9.9	5.1	3.5	4.4	21.1		19.1	-100.0
<i>% of Net Sales</i>	5.2	5.1		4.5	15.6	4.3		0.0	4.9	
Power & fuel	6.7	6.1	9.8	7.4	-9.3	6.7	0.2		24.4	-100.0
<i>% of Net Sales</i>	6.6	6.5		6.5	1.4	6.6		0.0	6.2	
Other expenses	7.1	6.3	13.4	8.0	-10.9	7.5	-4.9	92.9	25.7	261.3
<i>% of Net Sales</i>	7.0	6.7		7.0	-0.4	7.3		19.9	6.5	
Total expenditure	89.0	82.2	8.3	102.1	-12.8	91.4	-2.6	414.0	346.5	19.5
EBITDA	13.1	12.1	8.1	12.0	9.2	10.6	23.5	53.795	46.7	15.3
<i>Margin (%)</i>	12.8	12.8		10.5	22.0	10.4		11.5	11.9	
Depreciation	2.5	2.3	8.4	2.4	4.2	2.4	4.4	10.7	9.6	12.0
EBIT	10.6	9.8	8.0	9.6	10.4	8.2	29.1	43.1	37.1	16.1
Other income	0.7	0.5	35.7	0.5	33.1	0.9	-26.7	3.2	1.8	81.1
Interest	1.4	1.4	1.0	1.5	-3.8	1.5	-3.8	5.5	6.1	-9.3
PBT	9.8	8.9	10.7	8.6	14.3	7.6	28.7	40.7	32.8	24.4
Extraordinary income/(expense)	0.0	0	NA	0.0	NA	-0.1	NA	0.0	0.1	NA
PBT (after EO)	9.8	8.9	10.7	8.6	14.3	7.6	29.9	40.7	32.8	24.1
Tax	2.5	2.4	6.1	2.2	13.8	1.4	83.3	10.2	8.4	21.3
Reported PAT	7.3	6.5	12.5	6.4	14.5	6.2	17.9	30.6	24.4	25.0
Minority interest	0.0	0.0	NA	-0.0	NA	0.0	NA	0.0	-0.1	NA
Share of profit/(losses) in Associates	-0.1	0.0	NA	-0.2	NA	-0.3	NA	1.1	-0.4	NA
Net Profit attributable to shareholders	7.1	6.5	10.2	6.1	16.1	5.910	20.8	31.7	24.1	31.7
Adjusted PAT	7.1	6.5	10.2	6.1	16.1	6.0	19.7	31.7	24.0	31.9

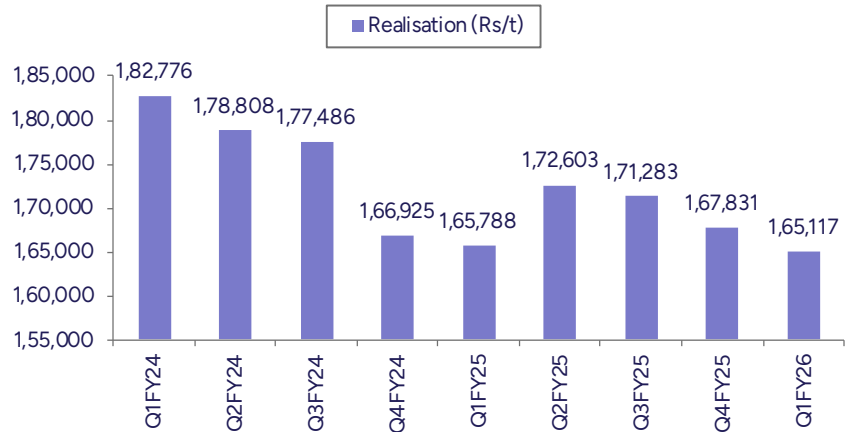
Source: Company, PL

Exhibit 2: Steady vol. growth of 8% YoY aided by domestic demand (9.5% YoY)



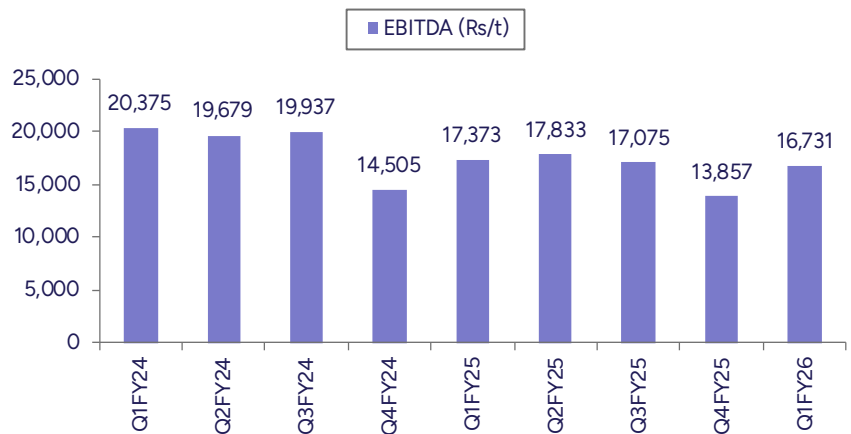
Source: Company, PL

Exhibit 3: NSR fell 1.6% QoQ on continued pressure from imports



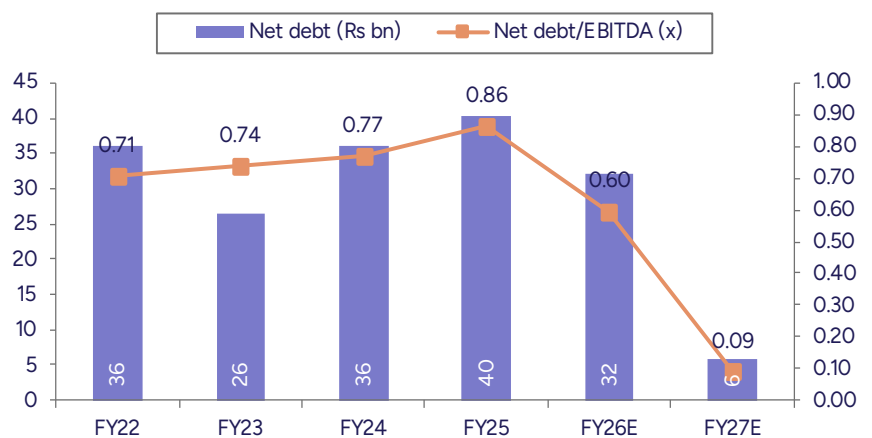
Source: Company, PL

Exhibit 4: EBITDA/t declined 3.7% YoY due to higher employee & other expenses



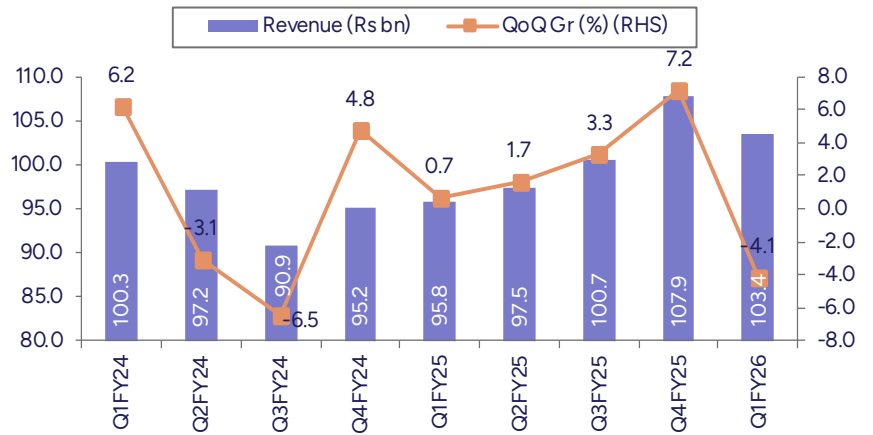
Source: Company, PL

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



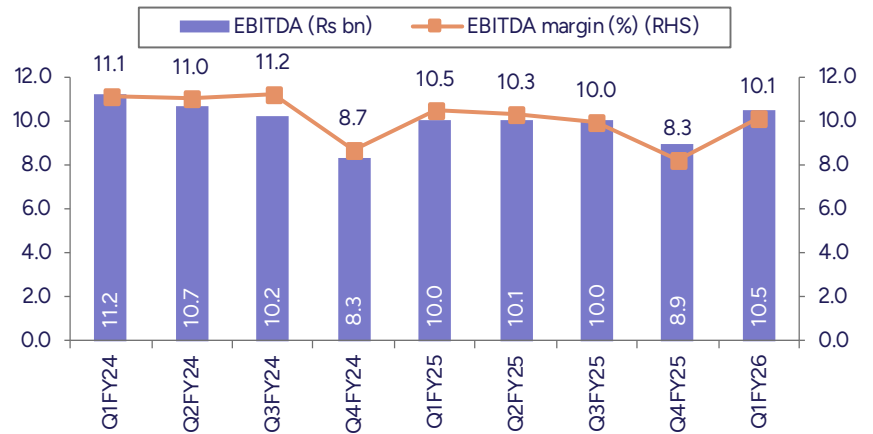
Source: Company, PL

Exhibit 6: Std revenue grew 8% YoY on stable volume growth (8.3% YoY)



Source: Company, PL

Exhibit 7: Margins remained flat YoY due to higher operating expenses



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 Networth	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	21.3	22.4	17.8	14.1
P/B	3.9	3.4	2.9	2.4
P/CEPS	16.0	16.2	13.3	10.9
EV/EBITDA	12.7	12.9	11.1	9.1
EV/Sales	1.6	1.5	1.3	1.1
Dividend Yield (%)	0.4	0.4	0.4	0.4

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	98	99	102	102
YoY gr. (%)	(0.2)	8.5	7.9	8.2
Raw Material Expenses	68	67	71	67
Gross Profit	30	32	31	35
Margin (%)	30.3	32.3	30.8	34.0
EBITDA	12	12	11	13
YoY gr. (%)	(3.6)	(3.1)	2.5	8.1
Margin (%)	12.1	12.2	10.4	12.8
Depreciation / Depletion	2	2	2	3
EBIT	9	10	8	11
Margin (%)	9.7	9.7	8.0	10.4
Net Interest	2	2	1	1
Other Income	-	1	1	1
Profit before Tax	8	9	8	10
Margin (%)	8.5	9.1	7.4	9.6
Total Tax	2	2	1	3
Effective tax rate (%)	27.0	26.1	18.3	25.9
Profit after Tax	6	7	6	7
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	6	7	6	7
YoY gr. (%)	(21.0)	(5.4)	18.0	10.2
Margin (%)	6.3	6.6	5.8	7.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	6	7	6	7
YoY gr. (%)	(21.1)	(5.4)	18.0	10.2
Margin (%)	6.3	6.6	5.8	7.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6	7	6	7
Avg. Shares O/s (bn)	1	1	1	1
EPS (Rs)	7.4	8.0	7.2	8.7

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	08-Jul-25	Hold	678	675
2	10-May-25	BUY	678	580
3	23-Apr-25	BUY	655	581
4	08-Apr-25	BUY	655	520
5	24-Mar-25	Accumulate	715	626
6	31-Jan-25	Accumulate	715	649
7	09-Jan-25	Accumulate	739	636
8	19-Oct-24	Accumulate	814	740
9	07-Oct-24	Accumulate	849	779
10	22-Aug-24	Accumulate	836	741

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,543	1,890
2	Adani Port & SEZ	BUY	1,777	1,358
3	Ambuja Cement	BUY	685	593
4	Dalmia Bharat	Accumulate	2,395	2,270
5	Hindalco Industries	Accumulate	738	692
6	Jindal Stainless	Hold	678	675
7	Jindal Steel & Power	Accumulate	1,008	954
8	JSW Infrastructure	Accumulate	344	322
9	JSW Steel	Hold	1,068	1,034
10	National Aluminium Co.	BUY	218	189
11	NMDC	Accumulate	73	68
12	Nuvoco Vistas Corporation	Accumulate	422	390
13	Shree Cement	Hold	30,001	30,205
14	Steel Authority of India	Hold	133	126
15	Tata Steel	Accumulate	177	158
16	Ultratech Cement	Accumulate	13,634	12,561

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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