

August 13, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,060		1,008	
Sales (Rs. m)	548	753	560	766
% Chng.	(2.2)	(1.6)		
EBITDA (Rs. m)	118	178	112	171
% Chng.	4.8	4.2		
EPS (Rs.)	50.8	92.6	47.5	89.2
% Chng.	7.0	3.7		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	500	498	548	753
EBITDA (Rs. bn)	102	95	118	178
Margin (%)	20.4	19.1	21.5	23.7
PAT (Rs. bn)	59	40	51	94
EPS (Rs.)	59.2	39.9	50.8	92.6
Gr. (%)	31.7	(32.6)	27.3	82.1
DPS (Rs.)	2.0	2.0	2.2	2.4
Yield (%)	0.2	0.2	0.2	0.2
RoE (%)	14.3	8.8	10.4	16.5
RoCE (%)	13.5	11.0	13.0	19.9
EV/Sales (x)	2.2	2.3	2.1	1.4
EV/EBITDA (x)	10.9	11.9	9.7	6.0
PE (x)	16.8	24.9	19.6	10.8
P/BV (x)	2.3	2.1	1.9	1.6

Key Data

JNSP.BO | JSP IN

52-W High / Low	Rs.1,074 / Rs.723
Sensex / Nifty	80,540 / 24,619
Market Cap	Rs.1,016bn/ \$ 11,624m
Shares Outstanding	1,020m
3M Avg. Daily Value	Rs.1664.86m

Shareholding Pattern (%)

Promoter's	62.36
Foreign	9.76
Domestic Institution	18.09
Public & Others	9.79
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	6.2	18.5	9.6
Relative	8.8	12.1	7.5

Tushar Chaudhari

tusharchaudhari@plindia.com | 91-22-663222391

Satyam Kesarwani

satyamkesarwani@plindia.com | 91-22-66322218

Strong Q1; awaiting Angul commissioning

Quick Pointers:

- JSPIL commissioned 0.2mtpa continuous galvanizing line at Angul in Q1. BF#2 expected to deliver first hot metal in Aug'25, with BOF#2 commissioning alongside it.
- Coking coal costs to reduce by USD5/t in Q2FY26, while iron ore prices to remain flattish.

Jindal Steel & Power (JSP) delivered strong cons operating performance in Q1FY26 despite lower volumes. Volumes declined 9% YoY affected by early monsoon. Avg. NSR rose 4.5% QoQ, driven by higher long & flats product prices and increase in value added products. Lower coking coal and PCI benefited EBITDA/t improving to Rs15,680 (ex-fx gains). Commissioning of BF-2 at Angul is in the final stages and hot metal production is expected to commence this month (delayed again) and BOF-2 is also nearing completion. Mgmt. reiterated its earlier FY26 sales volume guidance of 8.5–9mt.

Monsoon-led demand weakness has pressured prices in recent weeks, which would weigh on near term earnings, though ramp-up of Angul blast furnace would partially offset the impact through higher volumes in 2H. Proportion of flats is also improving and is expected to touch 70% on full ramp up of Angul capex by end FY27E. We have tweaked FY26/27E EBITDA estimates by 5%/4% and expect EBITDA CAGR of 37% over FY25-27E. At CMP, the stock is trading at 9.7x/6x EV of FY26E/27E EBITDA. Maintain 'Accumulate' with revised TP of Rs1,060 (earlier Rs1,008) valuing at 6.5x EV of Mar'27E EBITDA.

- Strong pricing & product mix cushion volume weakness:** Volumes de-grew 9% YoY to 1.9mt (PLe 1.95mt) due to decline in domestic sales. Exports contribution to the volume was 7% (0.14mt). Average NSR increased 5% QoQ to Rs64,708 (PLe Rs63,386) on strong long product (+4%) and HRC prices (+7%) led by safeguard duty. Share of flats in sales mix also increased by 2% to 44%. Production increased 2% YoY to 2.09mt. Cons revenue declined 10% YoY to Rs123bn (-7% QoQ).
- Cost efficiencies & lower interest support profit:** Cons EBITDA grew 6% YoY to Rs30.05bn (+32% QoQ; PLe Rs25.3bn). EBITDA/t grew 17% YoY to Rs 15,819 (+48% QoQ; PLe ~Rs13k). Adjusted EBITDA was Rs29.8bn adjusting for Rs210m of fx gains. Adj. EBITDA/t works out at Rs15,680. Cons. PAT grew by 11% YoY to Rs14.94bn led by lower operating costs and decline in interest expenses which decreased due to repayment of term loan and reduction in interest rate.
- Project update & resource expansion:** **a)** BF-2 at Angul is in final stage of commissioning and expects production to commence in this month itself. **b)** BOF-2 is also in advanced stage of commissioning. **c)** JSP has commissioned 0.2mtpa continuous galvanizing line which will expand its value-added business. **d)** The company has secured the Roida-I Iron Ore & Manganese Block in Odisha (EC: 3mtpa; reserves: 126.05mt, mining lease for 50 years) and begun iron ore extraction. JSP paid Rs510mn as first instalment out of total outlay of Rs4.55bn.

Q1FY26 Conference Call Highlights

- In Q1FY26, JSPL achieved net savings of Rs1,600/t YoY- Rs500/t from lower coking coal costs, Rs200/t from PCI, and Rs900-1,000/t from scrap and other items.
- JSPL's average cost of consumption of coking coal declined by USD11/t. In Q2, mgmt. has guided for further decline of ~USD5/t while iron ore costs to remain flattish.
- Q1 sales mix was 56% longs and 44% flats, with captive coal consumption at 90-95%.
- Net debt rose by Rs24.43bn in Q1 to Rs144bn due to working capital buildup, with a net debt-to-EBITDA ratio of 1.49x.
- Q1FY26 capex stood at Rs22.26bn, taking total Angul project expenditure to Rs281.5bn at the end of Q1FY26 out of the announced Rs470.4bn.
- JSPL achieved 87% capacity utilization in Q1FY26, with Angul at ~84%. & Raigarh at 95%.
- Value-added sales rose to 72% in Q1 from 64% in Q4, with auto sector supply set to increase QoQ as ramp-up happens and OEM approvals come.
- In Q1FY26, JSPL commissioned a 0.2mtpa continuous galvanizing line at Angul. BF#2 is expected to deliver first hot metal in Aug'25, with BOF#2 to be commissioned alongside it and BOF#3 in Q4FY26. The slurry pipeline is on track for FY26 commissioning. The color coated line is slated for Q3FY26, second lines of galvanizing and color coated are planned for end FY26. Second 6mtpa pellet plant to be commissioned in FY27 to support DRI.
- JSPL secured the Roida-1 iron ore block (EC capacity: 3mtpa; reserves: 126mt) and has begun ore extraction, targeting 1.6mt volumes in FY26.
- The Tensa iron ore mine is at the end of its life and contributed very minimal volumes (0.13mt) during the quarter.
- Utkal B1 mining is set to begin in Q2FY26, JSPL recently won the Saradhapur Jalatap East coal block (3.2mt resources) which would be fully explored over the next two years, after which extractable reserves and annual EC limits will be announced.

Exhibit 1: Q1FY26 Result Overview

Y/e March (Rs bn)	1QFY26	1QFY25	YoY gr. (%)	1QFY26E	% Var.	4QFY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	122.9	136.1	(9.7)	123.5	(0.5)	131.8	(6.7)	548.0	497.6	10.1
Raw Material	46.7	63.7	(26.8)	56.1	(16.8)	59.2	(21.2)	244.7	218.5	12.0
% of Net Sales	37.9	46.8		45.4	(16.4)	44.9		44.7	43.9	
Purchase of traded goods	4.6	4.8	(5.5)	5.0	(8.7)	4.9	(7.4)	-	17.1	(100.0)
% of Net Sales	3.7	3.5		4.0	(8.3)	3.7		0.0	3.4	
Staff Costs	3.0	3.0	0.8	2.6	17.4	3.0	2.1	10.0	11.8	(15.6)
% of Net Sales	2.5	2.2		2.1	17.9	2.3		1.8	2.4	
Other Expenses	38.6	36.2	6.6	34.5	11.9	42.0	(8.0)	175.6	155.3	13.1
% of Net Sales	31.4	26.6		28.0	12.4	31.9		32.1	31.2	
Total Expenditure	92.9	107.8	(13.8)	98.2	(5.4)	109.1	(14.9)	430.3	402.7	6.9
EBITDA	30.1	28.3	6.2	25.3	18.8	22.7	32.4	117.7	94.9	23.9
Margin (%)	24.4	20.8		20.5	19.3	17.2		21.5	19.1	
Depreciaton	7.2	6.8	5.7	7.1	1.1	6.9	4.5	31.6	27.7	14.1
Other income	0.3	0.3	(12)	0.6	(46)	0.7	(57.7)	1.7	1.7	0.2
EBIT	23.1	21.8	6.1	18.7	23.5	16.5	40.1	87.8	68.9	27.3
Interest	3.0	3.3	(10.6)	3.4	(12.9)	3.4	(13.2)	13.5	13.1	2.7
PBT	20.2	18.5	9.1	15.3	31.6	13.1	54.0	74.3	55.8	33.1
Extraordinary income/(expense)	-	0.1		-	-	(12)		-	12.3	(100.0)
PBT (After EO)	20.2	18.6	8.5	15.3	31.6	0.8	2,392.5	74.3	43.5	70.7
Tax	5.2	5.2	0.1	5.1	1.7	3.8	NA	22.4	15.0	49.6
% PBT	25.9	28.0		33.5	(22.8)	463.7		30.2	34.4	
Reported PAT	15.0	13.4	11.8	10.2	46.7	(2.9)	NA	51.9	28.5	82
Minority interest	0.0	(0.0)	NA	-	NA	0.4	NA	0.37	0.34	NA
Share of profit/(losses) in Associates	(0.0)	-	NA	-	NA	(0.1)	NA	(0.09)	(0.09)	NA
Net Profit attributable to shareholders	14.9	13.4	11.5	10.2	46.5	(3.4)	NA	51.4	28.1	82.9
Adjusted PAT	14.9	13.3	12.2	10.2	46.5	8.9	67.9	51.4	36.2	42.1

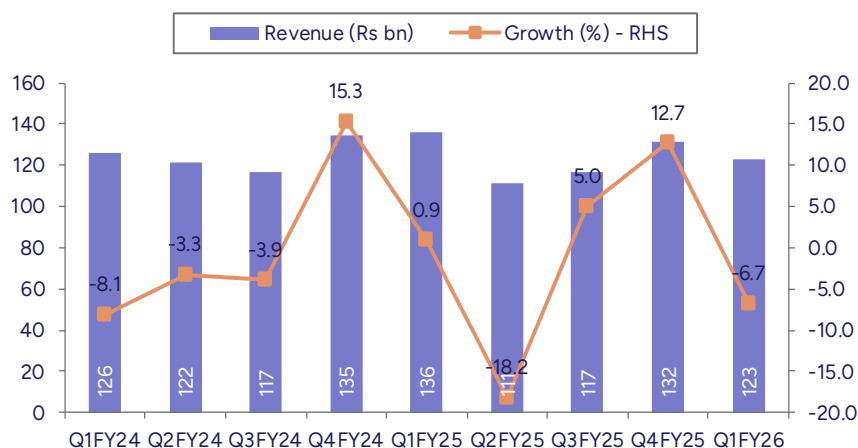
Source: Company, PL

Exhibit 2: Operating Metrics

Y/e March	1QFY26	1QFY25	YoY gr. (%)	1QFY26E	% Var.	4QFY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Volume (mt)	1.90	2.09	(9.1)	1.95	(2.5)	2.13	(10.8)	8.80	7.97	10.4
Realization/t	64,708	65,114	(0.6)	63,386	2.1	61,893	4.5	61,316	62,440	(1.8)
EBITDA/t	15,819	13,542	16.8	12,986	21.8	10,661	48.4	12,733	11,912	6.9

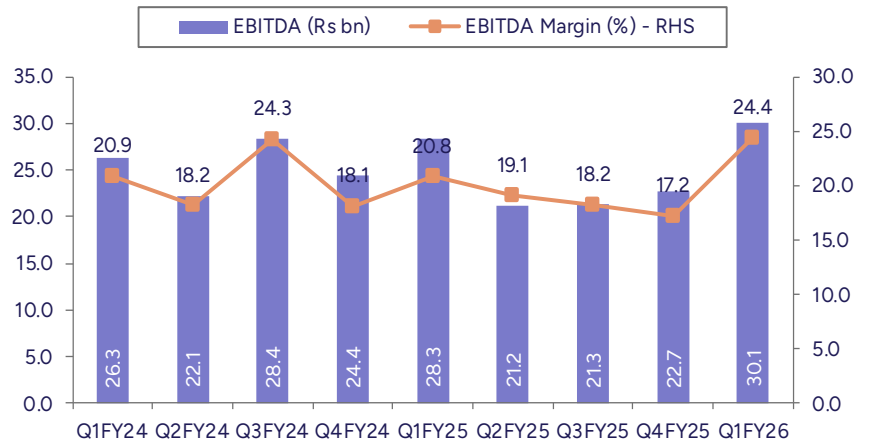
Source: Company, PL

Exhibit 3: Cons revenue declined 10% YoY due to weak volume



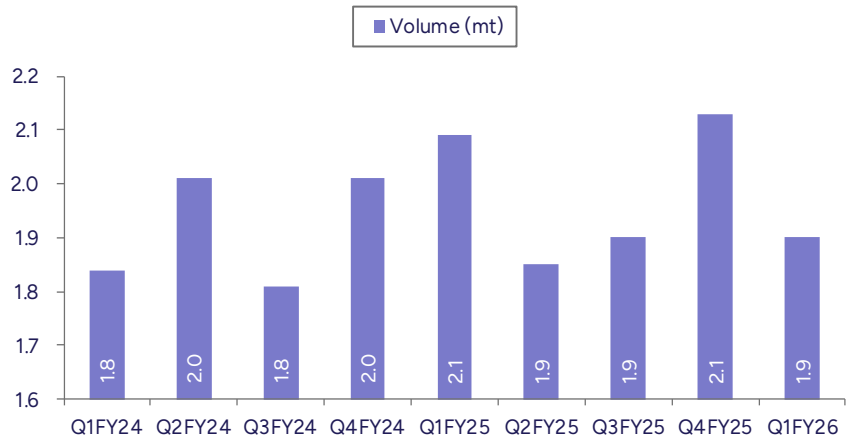
Source: Company, PL

Exhibit 4: Cons EBITDA increased 6% YoY on strong pricing



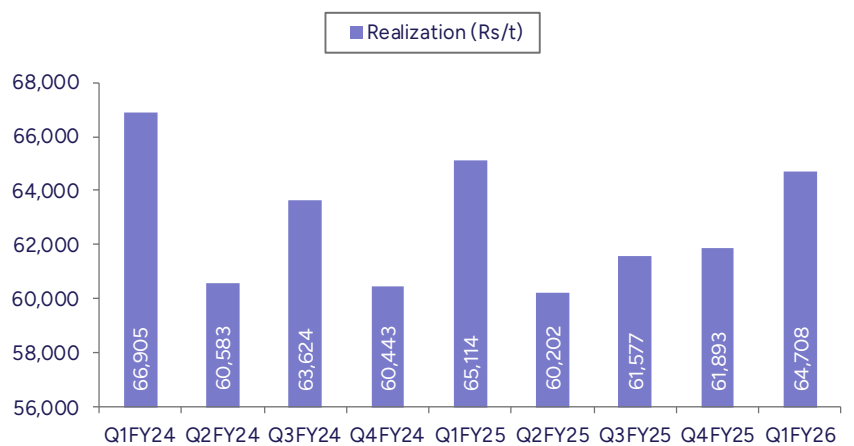
Source: Company, PL

Exhibit 5: Volumes de-grew 9% YoY due to early monsoon



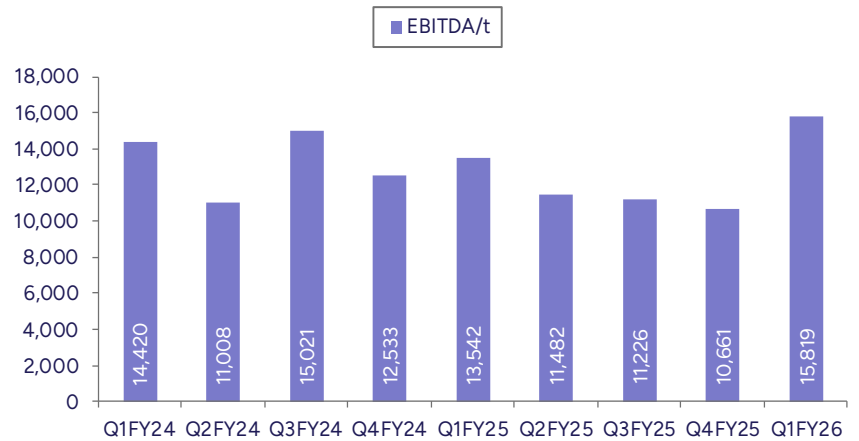
Source: Company, PL

Exhibit 6: Realization increased 5% QoQ on strong long & HRC prices (Rs/t)



Source: Company, PL

Exhibit 7: EBITDA/t grew 17% YoY on higher pricing and lower costs (Rs)



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	500	498	548	753
YoY gr. (%)	(5.1)	(0.5)	10.1	37.5
Cost of Goods Sold	220	236	245	337
Gross Profit	280	262	303	416
Margin (%)	56.0	52.7	55.3	55.3
Employee Cost	13	12	10	11
Other Expenses	165	155	176	227
EBITDA	102	95	118	178
YoY gr. (%)	2.7	(6.9)	23.9	51.5
Margin (%)	20.4	19.1	21.5	23.7
Depreciation and Amortization	28	28	32	36
EBIT	74	67	86	142
Margin (%)	14.8	13.5	15.7	18.9
Net Interest	13	13	13	12
Other Income	2	2	2	2
Profit Before Tax	62	44	74	133
Margin (%)	12.5	8.7	13.6	17.6
Total Tax	3	15	22	39
Effective tax rate (%)	4.8	34.4	30.2	29.1
Profit after tax	59	29	52	94
Minority interest	0	0	0	0
Share Profit from Associate	-	0	0	-
Adjusted PAT	59	40	51	94
YoY gr. (%)	31.4	(31.9)	27.3	82.1
Margin (%)	11.9	8.1	9.4	12.4
Extra Ord. Income / (Exp)	-	(12)	-	-
Reported PAT	59	28	51	94
YoY gr. (%)	88.5	(52.6)	82.9	82.1
Margin (%)	11.9	5.7	9.4	12.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	59	28	51	94
Equity Shares O/s (m)	1	1	1	1
EPS (Rs)	59.2	39.9	50.8	92.6

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	756	790	910	1,010
Tangibles	670	714	834	934
Intangibles	86	76	76	76
Acc: Dep / Amortization	273	301	332	368
Tangibles	212	240	271	307
Intangibles	61	61	61	61
Net fixed assets	483	489	578	642
Tangibles	458	474	562	626
Intangibles	25	15	15	15
Capital Work In Progress	96	167	147	127
Goodwill	1	1	1	1
Non-Current Investments	8	12	12	12
Net Deferred tax assets	(59)	(59)	(59)	(59)
Other Non-Current Assets	22	14	14	14
Current Assets				
Investments	7	17	17	17
Inventories	71	56	60	83
Trade receivables	17	14	15	21
Cash & Bank Balance	40	42	30	61
Other Current Assets	41	43	43	43
Total Assets	787	858	920	1,023
Equity				
Equity Share Capital	1	1	1	1
Other Equity	442	471	520	611
Total Network	443	472	521	612
Non-Current Liabilities				
Long Term borrowings	101	140	140	100
Provisions	4	5	5	5
Other non current liabilities	15	16	16	16
Current Liabilities				
ST Debt / Current of LT Debt	58	38	38	38
Trade payables	47	57	63	87
Other current liabilities	55	70	76	105
Total Equity & Liabilities	787	858	920	1,023

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	62	43	74	133
Add. Depreciation	28	28	32	36
Add. Interest	13	13	13	12
Less Financial Other Income	2	2	2	2
Add. Other	0	8	-	-
Op. profit before WC changes	103	92	119	181
Net Changes-WC	(37)	31	7	24
Direct tax	(7)	(15)	(22)	(39)
Net cash from Op. activities	60	108	104	166
Capital expenditures	(83)	(105)	(100)	(80)
Interest / Dividend Income	2	2	-	-
Others	(3)	(20)	-	-
Net Cash from Invt. activities	(83)	(123)	(100)	(80)
Issue of share cap. / premium	-	2	-	-
Debt changes	35	20	-	(40)
Dividend paid	(2)	(2)	(2)	(2)
Interest paid	(16)	(20)	(13)	(12)
Others	(3)	8	-	-
Net cash from Fin. activities	14	8	(16)	(54)
Net change in cash	(10)	(7)	(11)	31
Free Cash Flow	(25)	2	4	86

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	59.2	39.9	50.8	92.6
CEPS	87.4	67.3	82.0	128.2
BVPS	442.1	466.3	515.0	605.1
FCF	(25.0)	2.1	4.3	84.9
DPS	2.0	2.0	2.2	2.4
Return Ratio(%)				
RoCE	13.5	11.0	13.0	19.9
ROIC	13.8	7.8	9.6	15.6
RoE	14.3	8.8	10.4	16.5
Balance Sheet				
Net Debt : Equity (x)	0.3	0.3	0.3	0.1
Net Working Capital (Days)	30	9	8	8
Valuation(x)				
PER	16.8	24.9	19.6	10.8
P/B	2.3	2.1	1.9	1.6
P/CEPS	11.4	14.8	12.1	7.8
EV/EBITDA	10.9	11.9	9.7	6.0
EV/Sales	2.2	2.3	2.1	1.4
Dividend Yield (%)	0.2	0.2	0.2	0.2

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	111	117	132	123
YoY gr. (%)	(8.5)	-	(2.3)	(9.7)
Raw Material Expenses	51	51	64	51
Gross Profit	60	66	68	72
Margin (%)	53.8	56.0	51.4	58.4
EBITDA	21	21	23	30
YoY gr. (%)	(4.0)	(25.0)	(7.1)	6.2
Margin (%)	19.1	18.2	17.2	24.4
Depreciation / Depletion	7	7	7	7
EBIT	14	14	16	23
Margin (%)	12.8	12.3	12.0	18.6
Net Interest	3	3	3	3
Other Income	-	-	1	-
Profit before Tax	12	12	1	20
Margin (%)	10.9	10.3	0.6	16.4
Total Tax	4	2	4	5
Effective tax rate (%)	29.1	20.7	463.7	25.9
Profit after Tax	9	10	(3)	15
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	9	10	(3)	15
YoY gr. (%)	(38.0)	(50.7)	(136.3)	11.5
Margin (%)	7.7	8.1	(2.6)	12.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	9	10	(3)	15
YoY gr. (%)	(38.0)	(50.7)	(136.3)	11.5
Margin (%)	7.7	8.1	(2.6)	12.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	9	10	(3)	15
Avg. Shares O/s (m)	1	1	1	1
EPS (Rs)	8.5	9.4	(3.4)	14.8

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Steel sales volumes (mt)	8	8	9	12
EBITDA/t (Rs)	13,303	11,272	12,733	14,787
Realsisation/t (Rs)	65,224	61,561	61,316	62,407

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jul-25	Accumulate	1,008	954
2	02-May-25	Accumulate	978	893
3	23-Apr-25	Accumulate	963	915
4	08-Apr-25	Accumulate	877	791
5	01-Feb-25	Accumulate	847	792
6	09-Jan-25	Accumulate	997	932
7	07-Nov-24	Accumulate	1,017	948
8	07-Oct-24	Accumulate	1,090	1,021

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	762	667
6	Jindal Stainless	Hold	678	683
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	228	187
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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