

May 2, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	978		963	
Sales (Rs. bn)	560	738	579	699
% Chng.	(3.3)	5.5		
EBITDA (Rs. bn)	112	167	123	179
% Chng.	(9.3)	(6.5)		
EPS (Rs.)	46.7	86.1	52.4	91.4
% Chng.	(10.9)	(5.8)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	500	498	560	738
EBITDA (Rs. bn)	102	95	112	167
Margin (%)	20.4	19.1	19.9	22.7
PAT (Rs. bn)	59	40	47	87
EPS (Rs.)	59.2	39.9	46.7	86.1
Gr. (%)	31.7	(32.6)	17.0	84.3
DPS (Rs.)	2.0	2.0	2.2	2.4
Yield (%)	0.2	0.2	0.2	0.3
RoE (%)	14.3	8.8	9.6	15.6
RoCE (%)	13.5	11.0	12.3	18.8
EV/Sales (x)	2.0	2.1	1.9	1.3
EV/EBITDA (x)	9.9	10.8	9.3	5.8
PE (x)	15.1	22.3	19.1	10.4
P/BV (x)	2.0	1.9	1.7	1.5

Key Data

JNSP.BO | JSP IN

52-W High / Low	Rs.1,097 / Rs.723
Sensex / Nifty	80,242 / 24,334
Market Cap	Rs.910bn / \$ 10,775m
Shares Outstanding	1,020m
3M Avg. Daily Value	Rs.2296.07m

Shareholding Pattern (%)

Promoter's	62.22
Foreign	9.59
Domestic Institution	17.72
Public & Others	10.47
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(2.2)	(3.0)	(4.0)
Relative	(5.6)	(4.1)	(10.9)

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Inline Q4; but timely capex completion is key

Quick Pointers:

- Mgmt. guiding FY26 crude steel production and sales at be 9-10mt and 8.5-9mt respectively driven by BF-2 commissioning at Angul. BOF-2 commissioning by Q2FY26 now.
- Coking coal costs to reduce by USD10-15/t in Q1FY26, while steel prices have improved.

Jindal Steel & Power (JSP) reported largely in-line cons operating performance in Q4FY25. Volumes grew 6% YoY, driven by higher capacity utilization and inventory liquidation amid stronger domestic demand. Blended NSR rose 0.5% QoQ due to weak pricing in long products, which constitute a higher proportion of the product mix (58%). Average coking coal costs declined by USD11/t during the quarter, which is expected to fall further by USD10-15/t in Q1FY26. Going forward, higher steel prices and lower RM cost to benefit H1FY26, however delay in ongoing capex at Angul is expected to limit volume growth and may result in market share loss. Commissioning of BF-2 at Angul has begun and hot metal delivery is expected in Q1FY26, but BOF-2 and slurry pipeline is expected to get commissioned in Q2FY26. Accordingly, mgmt. has guided for sales volumes of 8.5-9mt for FY26 which is on a lower side.

On the positive side, Utkal B1 coal mine has received mine opening permission and mgmt. has fully utilized EC limits for Utkal C and GP IV/6 which has taken captive supplies to over 65% which would improve further in H2FY26 once B1 ramps up. Net debt has reduced significantly due to a reduction in working capital. Proportion of flats has improved from 32% to 43% YoY in FY25 and is expected to touch 70% on full ramp up of Angul capex by end FY27E. Near term steel pricing in India is expected to remain strong due to safeguard duty, however timely execution of Angul projects remains a key concern. We have cut our FY26/27E EBITDA estimates by 9%/7% and expect revenue/EBITDA/PAT CAGR of 22%/33%/55% over FY25-27E. At CMP, the stock is trading at 9.3x/5.8x EV of FY26E/FY27E EBITDA. Maintain 'Accumulate' with revised TP of Rs978 (earlier Rs963) valuing at 6.5x EV of Mar'27E EBITDA.

- Revenue declined weak steel pricing:** Volumes grew 6% YoY to 2.13mt (PLe 1.91mt) while average NSR increased 0.5% QoQ to Rs61,893 (PLe Rs61,579; down 7.8% YoY) due to weak long product pricing during the quarter. Steel production grew 6% QoQ to 2.11mt on higher capacity utilization, which improved from 83% to 88% QoQ. Cons revenue declined 2% YoY to Rs132bn (+13% QoQ). Cons EBITDA declined 7% YoY to Rs22.71bn (+6% QoQ; PLe Rs22.4bn).
- In-line EBITDA as coal mining ramps up:** EBITDA/t declined 12% YoY to Rs 10,661 (-5% QoQ; PLe Rs11,748). JSPL reported adjusted EBITDA of Rs24.8bn which includes Rs200m forex gains and one-offs of Rs2.31bn during the quarter which was on account of write-off of certain project initiative costs. Adj. EBITDA/t works out at Rs11,652. JSP ramped up Utkal C and Gare Palma

IV/6 mines to the EC capacity during FY25. Lower coking coal cost and improving proportion of flat products has aided EBITDA/t.

- **Impairment in overseas assets affects PAT:** During FY25, JSP has reviewed the value of its overseas assets and taken an impairment of Rs1.2bn mainly for the Australian assets, which is already under care and maintenance. The remaining value of the investment in Australian business is significantly lower than the value of the assets. JSP is struggling to get value out of these mining assets over the last many years and has not taken any decision to wind off the same, as it has become insignificant vis a vis strong domestic business. Adjusting for this exceptional item, Q4FY25 PAT stood at Rs8.9bn (~5% YoY; Ple Rs8.6bn).

Q4FY25 Conference Call Highlights

- JSP realized one Rs2.31bn one-off on account of: 1) old GST input credits not yet realized, 2) operational advances and inventory cleanups for the past years, 3) carbon credit purchase done at Australia operations for past years, 4) costs associated for deallocated mines from the past, and 5) old not realizable insurance receivables.
- Steel production and sales for FY26 are expected to be 9-10mt and 8.5-9mt respectively driven by BF-2 at Angul and increase in utilization of existing capacity. JSP expects to deliver an additional 0.2-0.3mt from the existing operations at Angul and balance 0.7-1.6mt from new BF.
- The commissioning activity for the Angul BF-2 has already begun with the lighting of gas tubes.
- JSP is on track to deliver the first hot metal from the BF-2 in Q1 FY26. Rest of the projects including BOF-2, slurry pipeline and the Shri Bhoomi power plant are progressing well as per the scheduled timings.
- Sales mix during the year was 57% longs and 43% flats compared to 68% longs and 32% flats in FY24, which is expected to be 70% flats and 30% longs after commissioning of all the projects in FY27, majorly driven by higher production of HR coils at Angul.
- Net debt in Q4 reduced by Rs15.94bn to Rs119.57bn from Rs135.51bn Q3FY25; net debt to EBITDA is 1.26x vs 1.4x in Q3FY25. Mgmt. expects to maintain this multiple to not cross 1.5x despite all capex planned.
- Total capex for Q4FY25 and FY25 were Rs23.12bn and Rs106.07bn respectively. Cumulative capex spent under current expansion program is Rs259.24bn, total outstanding capex under expansion plan is Rs211.19bn.
- The company achieved capacity utilization of 85% during FY25 compared to 83% in FY24 driven by operational improvements. Finished goods inventory stands at 200kt.
- Revenue and Capital advances were Rs31.45bn and Rs6.60bn respectively.
- JSP has received opening permission for Utkal B1 mine with total reserve of around 148mt with an annual EC limit of 5.5mt. The bid premium for this mine was 15.25%.
- JSP hit the EC limits for existing coal blocks Utkal C and Gare Palma IV/6 and expects to repeat the same for Utkal B1 in FY26 itself. Captive coal consumption for FY25 was 7.5mt.

- During the quarter, JSP won the Saradhapur-Jindal-East coal block at a revenue sharing of 10%.
- 82% of 200KM Slurry pipeline work has been completed, which is expected to be commissioned by H2FY26.
- During early April, JSP acquired Allied Strips limited in all cash deal of Rs2.17bn having 0.54mt capacity of HRPO and 0.3mt capacity of CRFH/CRCA.

Exhibit 1: Q4FY25 Result Overview

Y/e March (Rs bn)	4QFY25	4QFY24	YoY gr. (%)	4QFY25E	% Var.	3QFY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	131.8	134.9	(2.3)	117.6	12.1	117.0	12.7	496.3	499.5	(0.7)
Raw Material	59.2	54.6	8.5	48.1	23.2	46.8	26.5	218.5	197.0	10.9
% of Net Sales	44.9	40.4		40.9	9.9	40.0		44.0	39.4	
Purchase of traded goods	4.9	8.1	(39.0)	4.5	8.6	4.7	4.6	17.1	23.2	(26.2)
% of Net Sales	3.7	6.0		3.8	(3.1)	4.0		3.4	4.6	
Staff Costs	3.0	3.6	(17.4)	3.0	0.3	3.1	(3.4)	11.8	12.9	(8.1)
% of Net Sales	2.3	2.7		2.5	(10.5)	2.6		2.4	2.6	
Other Expenses	42.0	44.2	(4.9)	39.6	6.1	41.1	2.3	155.3	165.2	(6.0)
% of Net Sales	31.9	32.8		33.7	(5.3)	35.1		31.3	33.1	
Total Expenditure	109.1	110.4	(1.2)	95.2	14.7	95.7	14.1	402.7	398.3	1.1
EBITDA	22.7	24.4	(7.1)	22.4	1.2	21.3	6.5	93.6	101.3	(7.6)
Margin (%)	17.2	18.1		19.1	(9.7)	18.2		18.9	20.3	
Depreciaton	6.9	9.9	(30.6)	7.1	(2.3)	7.0	(1.1)	27.7	28.2	(1.9)
Other income	0.7	0.3	109	0.3	127	0.3	172.2	1.7	1.6	7.0
EBIT	16.5	14.8	11.3	15.7	5.3	14.6	13.1	67.6	74.6	(9.4)
Interest	3.4	3.2	6.5	3.2	7.2	3.1	9.2	13.1	12.9	1.4
PBT	13.1	11.6	12.6	12.5	4.9	11.5	14.1	54.5	61.7	(11.7)
Extraordinary income/(expense)	(12.3)	-		-	-	1		(10.93)	(0.7)	1,397.9
PBT (After EO)	0.8	11.6	(93.0)	12.5	(93.5)	12.0	(93.2)	43.5	62.4	(30.3)
Tax	3.8	2.3	63.2	3.9	(4.3)	2.5	NA	15.0	3.0	402.7
% PBT	463.7	19.8		31.4	1,377.9	20.7		34.4	4.8	
Reported PAT	(2.9)	9.3	(131.5)	8.6	(134.3)	9.5	NA	28.5	59.4	(52)
Minority interest	0.4	(0.0)	NA	-	NA	0.0	NA	0.34	0.05	NA
Share of profit/(losses) in Associates	(0.1)	0.0	NA	-	NA	0.0	NA	(0.09)	(0.00)	NA
Net Profit attributable to shareholders	(3.4)	9.4	NA	8.6	NA	9.5	NA	28.1	59.4	(52.6)
Adjusted PAT	8.9	9.4	(4.8)	8.6	3.8	9.0	(1.0)	39.1	58.7	(33.4)

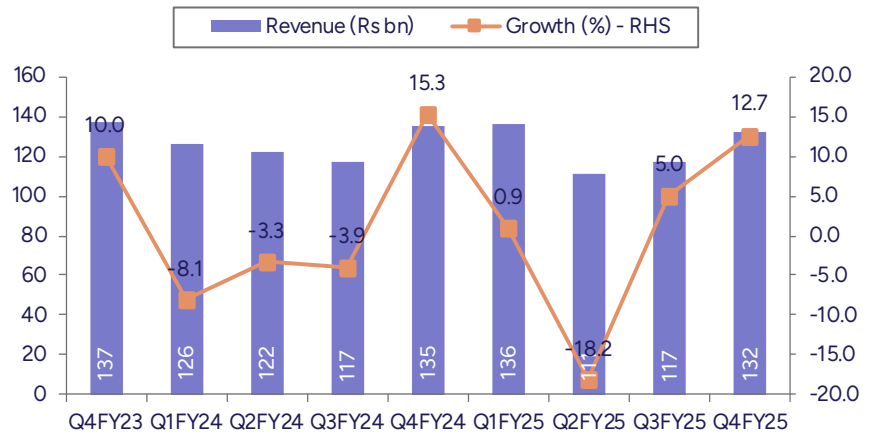
Source: Company, PL

Exhibit 2: Operating Metrics

Y/e March	4QFY25	4QFY24	YoY gr. (%)	4QFY25E	% Var.	3QFY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Volume (mt)	2.13	2.01	6.0	1.91	11.5	1.90	12.1	7.97	7.67	3.9
Realization/t	61,893	67,099	(7.8)	61,579	0.5	61,577	0.5	62,270	65,129	(4.4)
EBITDA/t	10,661	12,162	(12.3)	11,748	(9.3)	11,226	(5.0)	11,742	13,204	(11.1)

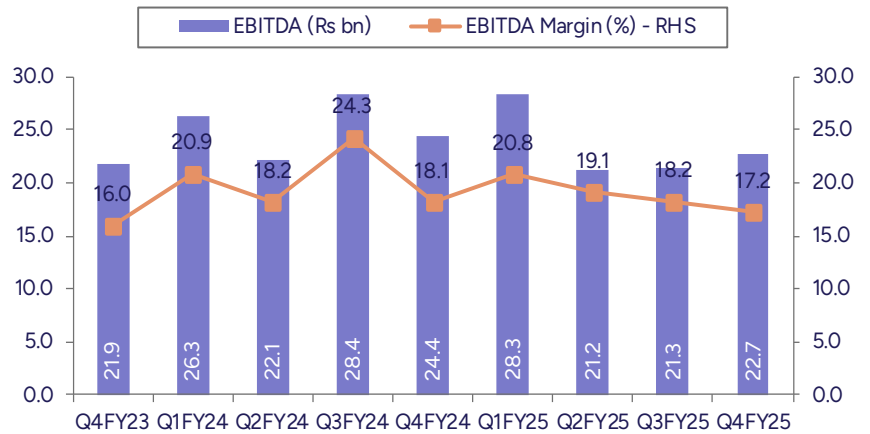
Source: Company, PL

Exhibit 3: Cons revenue declined 2% YoY on weak pricing



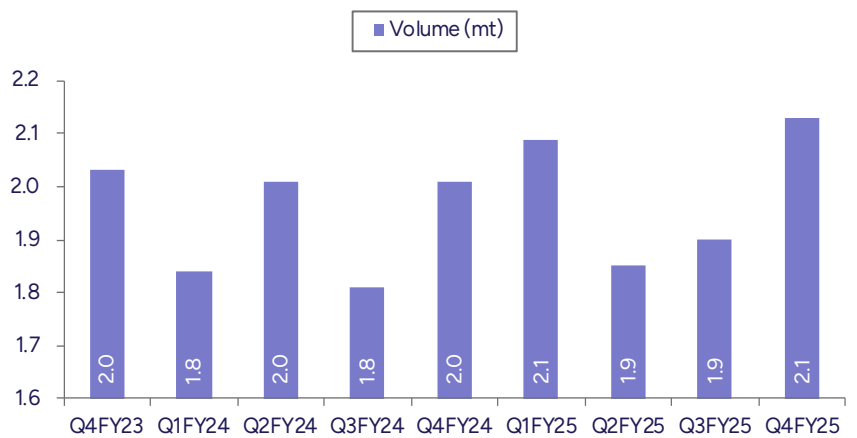
Source: Company, PL

Exhibit 4: Cons EBITDA declined 7% YoY largely in-line



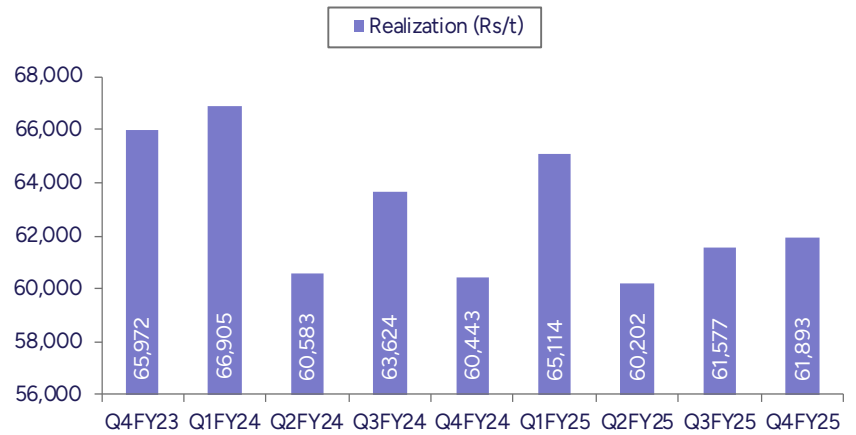
Source: Company, PL

Exhibit 5: Volumes grew 6% YoY led by steady domestic demand (mt)



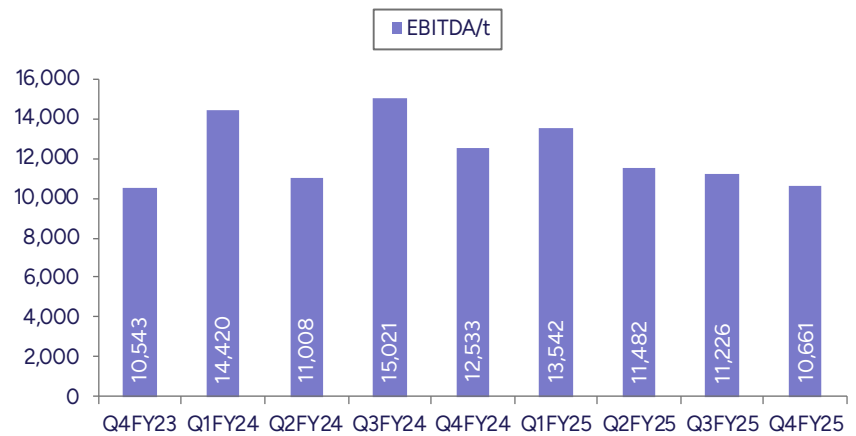
Source: Company, PL

Exhibit 6: Realization remained flattish QoQ due to weaker long prices (Rs/t)



Source: Company, PL

Exhibit 7: EBITDA/t declined 12% YoY due to one off from past projects (Rs)



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	500	498	560	738
YoY gr. (%)	(5.1)	(0.5)	12.6	31.8
Cost of Goods Sold	220	236	256	337
Gross Profit	280	262	304	401
Margin (%)	56.0	52.7	54.4	54.4
Employee Cost	13	12	12	13
Other Expenses	165	155	181	221
EBITDA	102	95	112	167
YoY gr. (%)	2.7	(6.9)	17.5	50.1
Margin (%)	20.4	19.1	19.9	22.7
Depreciation and Amortization	28	28	31	35
EBIT	74	67	81	132
Margin (%)	14.8	13.5	14.4	17.9
Net Interest	13	13	14	12
Other Income	2	2	2	3
Profit Before Tax	62	44	69	122
Margin (%)	12.5	8.7	12.3	16.6
Total Tax	3	15	21	35
Effective tax rate (%)	4.8	34.4	30.7	28.5
Profit after tax	59	29	48	88
Minority interest	0	0	0	0
Share Profit from Associate	-	0	0	-
Adjusted PAT	59	40	47	87
YoY gr. (%)	31.4	(31.9)	17.0	84.3
Margin (%)	11.9	8.1	8.4	11.8
Extra Ord. Income / (Exp)	-	(12)	-	-
Reported PAT	59	28	47	87
YoY gr. (%)	88.5	(52.6)	68.1	84.3
Margin (%)	11.9	5.7	8.4	11.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	59	28	47	87
Equity Shares O/s (bn)	1	1	1	1
EPS (Rs)	59.2	39.9	46.7	86.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

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	367
Tangibles	212	240	271	306
Intangibles	61	61	61	61
Net fixed assets	483	489	578	643
Tangibles	458	474	563	628
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	61	81
Trade receivables	17	14	15	20
Cash & Bank Balance	40	42	27	47
Other Current Assets	41	43	43	43
Total Assets	787	858	919	1,009
Equity				
Equity Share Capital	1	1	1	1
Other Equity	442	471	516	601
Total Network	443	472	517	602
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	64	85
Other current liabilities	55	70	78	103
Total Equity & Liabilities	787	858	919	1,009

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	62	43	69	122
Add. Depreciation	28	28	31	35
Add. Interest	13	13	14	12
Less Financial Other Income	2	2	2	3
Add. Other	0	8	-	-
Op. profit before WC changes	103	92	114	170
Net Changes-WC	(37)	31	9	21
Direct tax	(7)	(15)	(21)	(35)
Net cash from Op. activities	60	108	101	156
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)	(14)	(12)
Others	(3)	8	-	-
Net cash from Fin. activities	14	8	(16)	(55)
Net change in cash	(10)	(7)	(15)	21
Free Cash Flow	(25)	2	1	76

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	59.2	39.9	46.7	86.1
CEPS	87.4	67.3	77.3	121.1
BVPS	442.1	466.3	510.9	594.6
FCF	(25.0)	2.1	1.2	74.9
DPS	2.0	2.0	2.2	2.4
Return Ratio(%)				
RoCE	13.5	11.0	12.3	18.8
ROIC	13.8	7.8	8.9	14.4
RoE	14.3	8.8	9.6	15.6
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	15.1	22.3	19.1	10.4
P/B	2.0	1.9	1.7	1.5
P/CEPS	10.2	13.3	11.5	7.4
EV/EBITDA	9.9	10.8	9.3	5.8
EV/Sales	2.0	2.1	1.9	1.3
Dividend Yield (%)	0.2	0.2	0.2	0.3

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	136	111	117	132
YoY gr. (%)	8.1	(8.5)	-	(2.3)
Raw Material Expenses	69	51	51	64
Gross Profit	68	60	66	68
Margin (%)	49.7	53.8	56.0	51.4
EBITDA	28	21	21	23
YoY gr. (%)	7.7	(4.0)	(25.0)	(7.1)
Margin (%)	20.8	19.1	18.2	17.2
Depreciation / Depletion	7	7	7	7
EBIT	21	14	14	16
Margin (%)	15.8	12.8	12.3	12.0
Net Interest	3	3	3	3
Other Income	-	-	-	1
Profit before Tax	19	12	12	1
Margin (%)	13.7	10.9	10.3	0.6
Total Tax	5	4	2	4
Effective tax rate (%)	28.0	29.1	20.7	463.7
Profit after Tax	13	9	10	(3)
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	13	9	10	(3)
YoY gr. (%)	(20.6)	(38.0)	(50.7)	(136.3)
Margin (%)	9.8	7.7	8.1	(2.6)
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	13	9	10	(3)
YoY gr. (%)	(20.6)	(38.0)	(50.7)	(136.3)
Margin (%)	9.8	7.7	8.1	(2.6)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	13	9	10	(3)
Avg. Shares O/s (bn)	1	1	1	1
EPS (Rs)	13.2	8.5	9.4	(3.4)

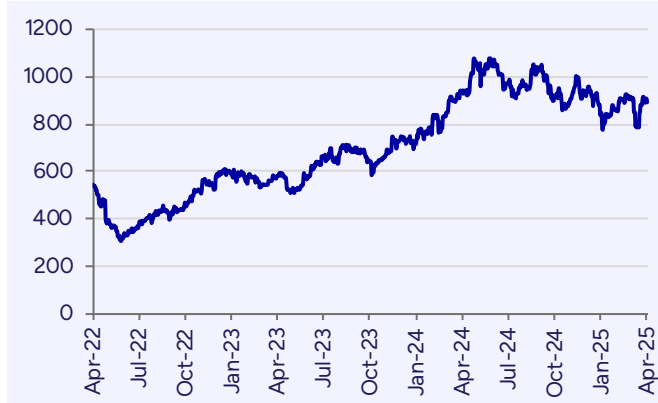
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Steel sales volumes (mt)	8	8	9	11
EBITDA/t (Rs)	13,303	11,272	12,648	15,303
Reasalisation/t (Rs)	65,224	61,561	62,925	63,385

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	23-Apr-25	Accumulate	963	915
2	08-Apr-25	Accumulate	877	791
3	01-Feb-25	Accumulate	847	792
4	09-Jan-25	Accumulate	997	932
5	07-Nov-24	Accumulate	1,017	948
6	07-Oct-24	Accumulate	1,090	1,021
7	25-Jul-24	Hold	978	972
8	07-Jul-24	Accumulate	1,006	1,051
9	14-May-24	Accumulate	987	939

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,383	1,938
2	Ambuja Cement	BUY	643	529
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	963	915
7	JSW Steel	Accumulate	1,150	1,044
8	National Aluminium Co.	BUY	181	159
9	NMDC	Accumulate	69	68
10	Nuvoco Vistas Corporation	Accumulate	357	316
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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