

May 24, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,068		1,150	
Sales (Rs. bn)	1,981	2,244	2,041	2,263
% Chng.	(2.9)	(0.9)		
EBITDA (Rs. bn)	370	450	385	446
% Chng.	(3.8)	0.9		
EPS (Rs.)	54.6	69.5	59.9	70.7
% Chng.	(8.7)	(1.6)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	1,750	1,688	1,981	2,244
EBITDA (Rs. bn)	282	229	370	450
Margin (%)	16.1	13.6	18.7	20.0
PAT (Rs. bn)	82	40	134	170
EPS (Rs.)	34.0	16.3	54.6	69.5
Gr. (%)	131.4	(52.0)	234.6	27.3
DPS (Rs.)	7.3	2.8	2.5	2.5
Yield (%)	0.7	0.3	0.2	0.2
RoE (%)	11.5	5.1	15.5	16.9
RoCE (%)	13.0	8.0	15.1	18.0
EV/Sales (x)	1.8	1.9	1.6	1.4
EV/EBITDA (x)	11.2	14.2	8.7	7.1
PE (x)	29.6	61.8	18.5	14.5
P/BV (x)	3.1	3.1	2.7	2.3

Key Data

JSTL.BO | JSTL IN

52-W High / Low	Rs.1,075 / Rs.824
Sensex / Nifty	81,721 / 24,853
Market Cap	Rs.2,466bn/ \$ 28,941m
Shares Outstanding	2,445m
3M Avg. Daily Value	Rs.1976.77m

Shareholding Pattern (%)

Promoter's	44.84
Foreign	25.78
Domestic Institution	10.52
Public & Others	18.86
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(3.0)	3.2	10.0
Relative	(4.9)	(0.1)	1.5

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Lower costs mitigated subdued pricing impact

Quick Pointers:

- Recent steel price hikes will lead to NSR increase by ~Rs3,200/t in Q1FY26. Coking coal consumption costs to decline by USD10-15/t.
- JSTL has given FY26 cons prod / sales guidance of 30.5mt/ 29.2mt.

JSW Steel (JSTL) reported inline operating performance in 4QFY25 led by lower RM, operating costs and improved subsidiaries' performance. Cons volume grew 11% YoY aided by newly commissioned 5mtpa Jindal Vijayanagar Metallics (JVML) capacity ramp up and stable domestic demand. Average cons NSR declined 3% QoQ due to muted steel pricing affected by imports. Decline in coking coal consumption cost by USD15/t and lower iron ore costs drove operating costs lower, enabling JSTL to deliver cons EBITDA/t of Rs8,515. Std EBITDA/t of Rs8,783 was tad better than PLe of Rs8,595. Recent steel price hikes and lower coking coal cost (USD10-15/t for Q1) would drive EBITDA/t to over Rs11k in H1FY26. However, recent SC order to liquidate BPSL and possible refund delays, remain biggest hangover on the stock.

We believe a) ramping up of newly JVML commissioned capacities, b) lower conversion cost by Rs2,500/t at JVML, c) increasing proportion of VAP products, d) 1.5mtpa capacity addition at BF#3 and e) upcoming 1GW RE power, will drive JSTL EBITDA growth over FY25-27E. We cut our FY26/27E EBITDA by 4%/1%, incorporating lower volumes and higher capex. We expect 12%/40% volume/ EBITDA CAGR over FY25-27E. At CMP, the stock is trading at 8.7x/7.1x EV of FY26E/FY27E EBITDA. We recommend 'Accumulate' at lower levels with a revised TP of Rs1,068 (earlier Rs1,150), valuing at 7.5x EV of Mar'27E EBITDA.

Weak std revenue on weak pricing and flattish volume: Std revenue declined 8% YoY to Rs325bn (up 2% QoQ; PLe Rs 333bn) on weak steel pricing and flattish volume growth at peak capacity utilization. Volumes grew 1.4% YoY to 5.77mt (PLe 5.8mt) while average realization declined 1% QoQ to Rs56,276/t (down 9% YoY; PLe Rs57,364/t) as flat prices declined during quarter. BPSL volumes grew strong 21% YoY to 0.94mt on ramping up of increased capacity (+7% QoQ). Cons. sales grew 11% YoY to 7.49mt aided by JVML volumes and stable domestic demand. Exports remained at ~8% of sales from Indian ops (Vs 8% in 3Q) due to weak global demand. Capacity utilization at India was 93% during 4Q Vs 91% in 3Q. Going forward, JVML volumes will keep driving volume growth along with 1.5mtpa capacity addition by debottlenecking at BF# 3 at Vijayanagar.

EBITDA/t aided by decline in RM and other expenses: Std EBITDA grew 14% YoY to Rs50.7bn (+15% QoQ; PLe Rs49.9bn) on lower RM costs & other expenses. EBITDA per ton grew 13% YoY to Rs8,783/t (+12% QoQ, PLe Rs 8,595/t). RM cost per ton declined 18% YoY to Rs28,503 mostly on lower coking coal costs; P&F cost per ton increased 9% YoY to Rs5,388. Mining premium declined 21% YoY to Rs3,551/t. Other expenses per ton declined 11% YoY to Rs8,128. Indian operations benefitted from lower coking coal prices and power costs on QoQ basis. Iron ore

costs were lower QoQ on optimized sourcing. Going forward, EBITDA/t is expected to inch up towards Rs11,000-12,000 range on higher domestic steel prices led by safeguard duty. Consolidated EBITDA grew 4% YoY to Rs63.8bn (+14% QoQ) better than PLe of Rs60.6bn on improved subs performance.

Improving subsidiary performance: Bhushan (BPSL) EBITDA grew 6% YoY to Rs5.7bn; while EBITDA/t declined 12% YoY to Rs6,064 on lower NSR (-1% QoQ). Coated products EBITDA/t improved 9% QoQ to Rs4,713/t. US subsidiary (Ohio) EBITDA loss declined QoQ to USD7.5 (-USD31/t from USD81/t) while volumes improved 26% QoQ. Italy ops went into EBITDA loss of Eur0.7m as volumes declined 15% QoQ (impacted by a delayed order and evacuation constraints due to rail congestion); however, mgmt. expects performance to improve in H1FY26.

Q4FY25 Conference Call Highlights:

- Capacity utilization at JSTL's Indian operations stood at 93% during Q4FY25. Value-added and special products accounted for 60% and 62% of total sales in Q4FY25 and FY25, respectively.
- JSTL achieved 98% of its guided production and sales volumes in FY25. For FY26, it expects 8–10% demand growth and is targeting production and sales volumes of 30.5mt and 29.2mt, respectively.
- Coking coal cost declined by USD15/t and is expected to fall further by USD10–15/t in Q1FY26. Iron ore prices are expected to remain largely flat QoQ.
- Significant price improvement of Rs3,200–3,250/t in March and April is expected to support NSR in Q1FY26.
- Revenue acceptances as of Q4FY25 were USD2.19bn.
- JSTL managed to reduce their inventories in the quarter by 220kt and by 150kt for FY25.
- The Italian operations were impacted by a delayed order and evacuation constraints due to rail congestion. However, a bilateral contract with Italian Rail is in progress, which is expected to improve volumes and contribute positively to FY26 EBITDA. Additionally, Baytown and Ohio operations are also expected to become EBITDA positive.
- Ramp-up of the 5mtpa JVML Vijayanagar expansion is underway, and post stabilization, it is expected to lower conversion costs by ~Rs2,500/t compared to existing operations.
- JVML project is ramping up well with the new blast furnaces operating at over 90% capacity utilization in Mar'25.
- One of the two converters of SMS and both the casters are operational, and the second caster converter is expected to be commissioned by Q2FY26.
- JSTL is expected to become more cost-efficient on the power front post completion of 1,000MW renewable energy capacity in Q1FY26.

- JSTL has planned a #BF3 shutdown at Vijayanagar in July'25 which will upgrade the capacity of the furnace by 1.5mtpa.
- At BPSL, JSTL has expanded capacity to 4.5mtpa and produced ~1mt in Q4FY25.
- JSTL is on track to commence 3 iron ore mines in Karnataka by Q2FY26 targeting 15mt of production from Karnataka in FY26.
- JSTL plans to commence mining operations in Goa, with the Cudnem mine starting by Q3FY26 and the two (Surla and Codla) by H2FY27. These three mines will cumulatively produce 3.7mtpa. JSTL expects to start production at the Moitra coking coal mine in Jun'26.
- JSTL has recently won the bid for operating the Dugda Washery with a capacity of 2mtpa in Jharkhand for a period of 25 years and will backward linkages for this washery and expect to commission it by Dec'26.

Exhibit 1: Q4FY25 Consolidated Result Overview

Y/e March (Rs bn)	4QFY25	4QFY24	YoY gr. (%)	4QFY25 E	Variance %	3QFY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	448.2	462.7	(3.1)	437.2	2.5	413.8	8.3	1,688.2	1,750.1	(3.5)
Raw Material	233.2	250.8	(7.0)	235.4	(0.9)	223.8	4.2	891.5	905.0	(1.5)
<i>% of Net Sales</i>	<i>52.0</i>	<i>54.2</i>		<i>53.8</i>		<i>54.1</i>		<i>52.8</i>	<i>51.7</i>	
Purchase of traded goods	5.5	4.8	15.1	1.1	378.9	1.1	403.7	8.5	11.6	(27.4)
<i>% of Net Sales</i>	<i>1.2</i>	<i>1.0</i>		<i>0.3</i>		<i>0.3</i>		<i>0.5</i>	<i>0.7</i>	
Staff Costs	11.8	11.5	2.6	12.1	(2.3)	11.5	2.8	48.0	45.9	4.5
<i>% of Net Sales</i>	<i>2.6</i>	<i>2.5</i>		<i>2.8</i>		<i>2.8</i>		<i>2.8</i>	<i>2.6</i>	
Power & Fuel	42.8	36.9	15.9	43.0	(0.5)	40.9	4.6	161.6	151.3	6.8
<i>% of Net Sales</i>	<i>9.5</i>	<i>8.0</i>		<i>9.8</i>		<i>9.9</i>		<i>9.6</i>	<i>8.6</i>	
Mining premium and royalties	20.2	25.6	(20.8)	21.2	(4.7)	20.2	0.2	91.4	100.1	(8.7)
<i>% of Net Sales</i>	<i>4.5</i>	<i>5.5</i>		<i>4.9</i>		<i>4.9</i>		<i>5.4</i>	<i>5.7</i>	
Other Expenses	70.9	72.0	(1.6)	63.7	11.3	60.5	17.1	258.2	253.7	1.8
<i>% of Net Sales</i>	<i>15.8</i>	<i>15.6</i>		<i>14.6</i>		<i>14.6</i>		<i>15.3</i>	<i>14.5</i>	
Total Expenditure	384	401	(4.2)	377	2.1	358	7.4	1,459	1,468	(0.6)
EBITDA	63.8	61.2	4.1	60.6	5.2	55.8	14.3	229.0	282.4	(18.9)
<i>Margin (%)</i>	<i>14.2</i>	<i>13.2</i>		<i>13.9</i>		<i>13.5</i>		<i>13.6</i>	<i>16.1</i>	
Depreciation	25.0	21.9	13.8	19.5	28.1	23.4	6.9	93.1	81.7	13.9
Other income	2.3	2.4	(5.0)	3.0	(23.3)	1.5	56.5	6.9	10.0	(30.9)
EBIT	41	42	(1.5)	44	(6.9)	34	21.3	143	211	(32.2)
Interest	20.9	20.6	1.6	20.5	2.1	21.2	(1.0)	84.1	81.1	3.8
PBT	20.2	21.1	(4.4)	23.6	(14.7)	12.8	58.2	58.8	129.6	(54.7)
Extraordinary income/(expense)	(0.4)	-	NA	-	NA	(1.0)	NA	(4.9)	5.9	NA
PBT (After EO)	20	21	(6.5)	24	(16.5)	12	68.3	54	135.5	(60.2)
Tax	2.3	6.9	(66.8)	7.8	(70.7)	4.6	(50.1)	15.9	44.1	(64.0)
<i>% PBT</i>	<i>11.6</i>	<i>32.7</i>		<i>33.1</i>		<i>39.2</i>		<i>29.4</i>	<i>32.5</i>	
Reported PAT	17.4	14.2	22.8	15.8	10.2	7.1	144.6	38.0	91.5	(58)
Minority interest	(0.0)	0.2	NA	0.1	NA	0.0	NA	(0.1)	1.6	NA
Share of profit/(losses) in Associates	(2.4)	(1.0)	NA	0.1	NA	0.1	NA	(3.1)	(1.7)	NA
Net Profit attributable to shareholders	15.0	13.0	15.7	15.9	(5.3)	7.2	109.6	35.0	88.1	(60)
Adjusted PAT	15.6	13.0	19.8	15.9	(2.0)	8.0	95.0	39.9	82.2	(51)

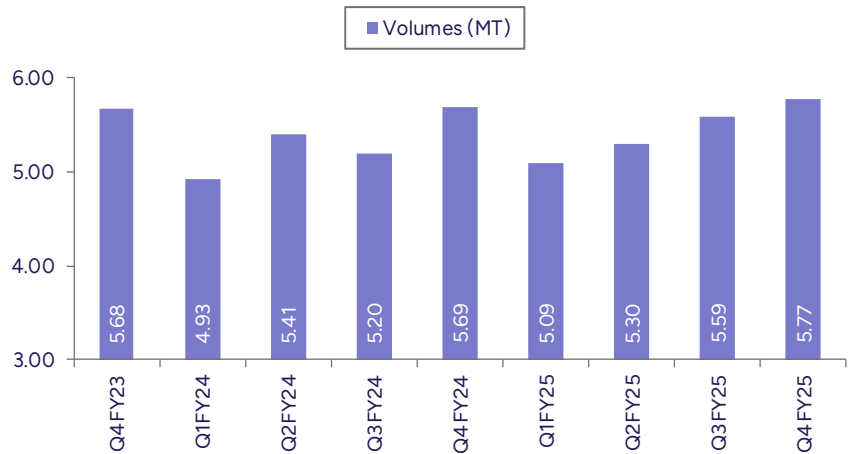
Source: Company, PL

Exhibit 2: Operating parameters (Standalone)

Y/e March (Rs)	4QFY25	4QFY24	YoY gr. (%)	4QFY25E	Variance %	3QFY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Crude steel production (000 tons)	5,700	5,690	0.2	6,202	(8.1)	5,700	-	22,470	22,250	1.0
Sales (000 tons)	5,770	5,690	1.4	5,804	(0.6)	5,590	3.2	21,750	21,230	2.4
Realization per ton	56,276	62,111	(9.4)	57,364	(1.9)	56,886	(1.1)	58,714	63,674	(7.8)
EBITDA per ton	8,783	7,807	12.5	8,595	2.2	7,866	11.7	8,451	10,353	(18.4)
Cost per ton	47,492	54,304	(12.5)	48,769	(2.6)	49,020	(3.1)	50,263	53,321	(5.7)

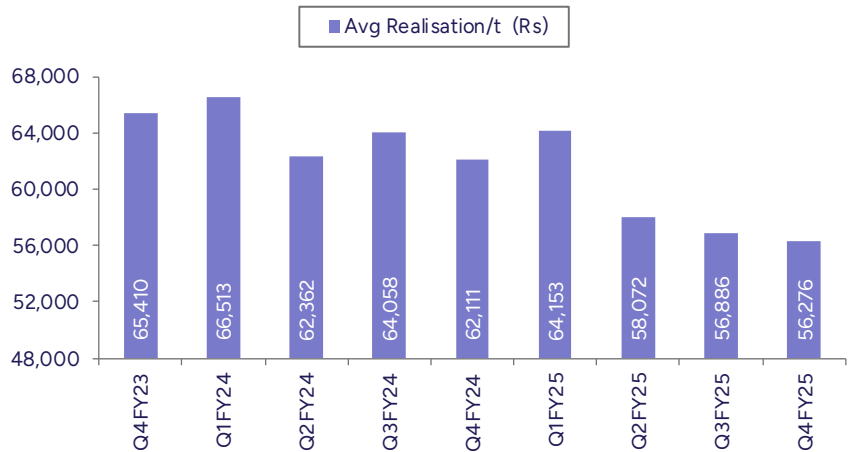
Source: Company, PL

Exhibit 3: Std volume grew 1.4% YoY on stable domestic demand



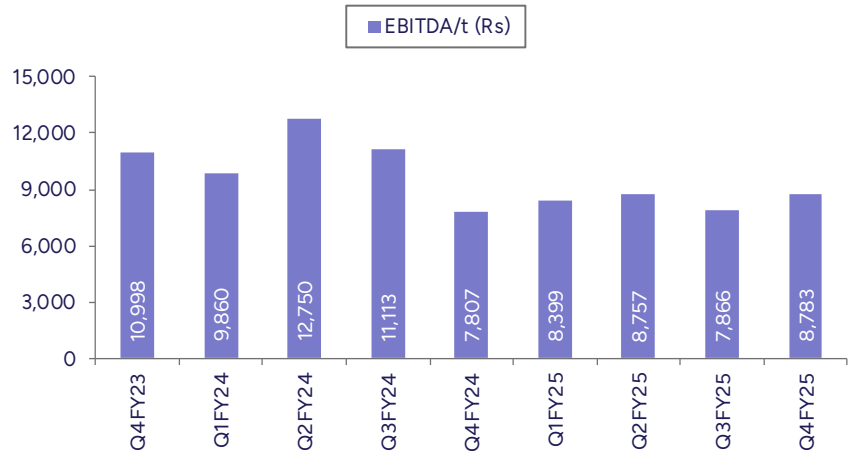
Source: Company, PL

Exhibit 4: Avg std realization declined 1% QoQ on weak steel pricing



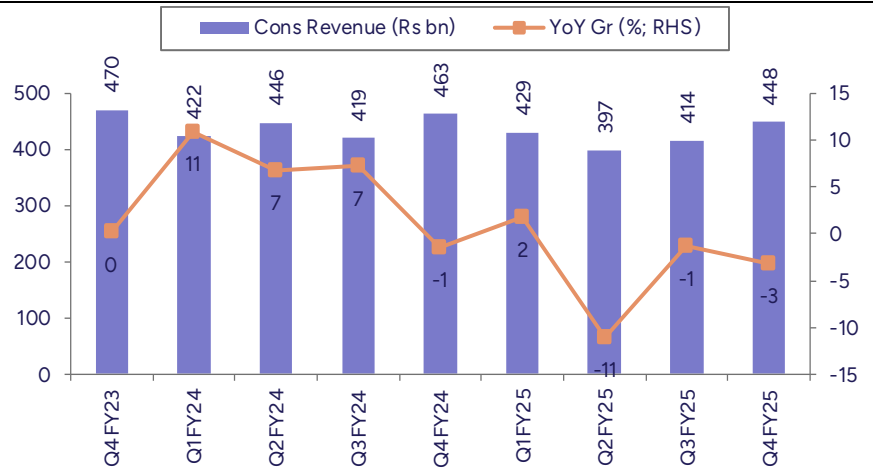
Source: Company, PL

Exhibit 5: Std EBITDA/t grew 13% YoY on lower RM costs & other expenses



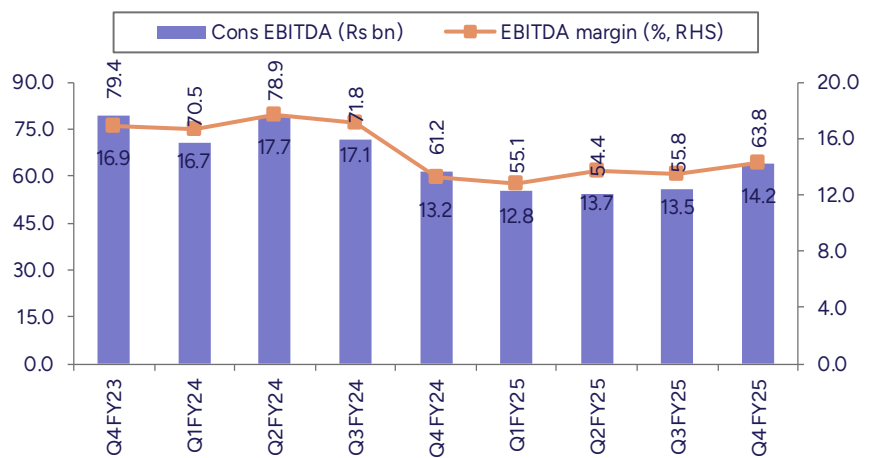
Source: Company, PL

Exhibit 6: Cons revenue declined 3% YoY due to subdued steel pricing (Rs bn)



Source: Company, PL

Exhibit 7: Cons EBITDA grew 4% YoY led by lower operating costs



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,750	1,688	1,981	2,244
YoY gr. (%)	5.5	(3.5)	17.3	13.3
Cost of Goods Sold	917	900	1,064	1,192
Gross Profit	833	788	917	1,052
Margin (%)	47.6	46.7	46.3	46.9
Employee Cost	46	48	56	59
Other Expenses	505	511	491	543
EBITDA	282	229	370	450
YoY gr. (%)	52.2	(18.9)	61.7	21.5
Margin (%)	16.1	13.6	18.7	20.0
Depreciation and Amortization	82	93	98	109
EBIT	201	136	272	341
Margin (%)	11.5	8.1	13.7	15.2
Net Interest	81	84	86	110
Other Income	10	7	7	10
Profit Before Tax	136	54	195	240
Margin (%)	7.7	3.2	9.8	10.7
Total Tax	44	16	57	69
Effective tax rate (%)	32.5	29.4	29.5	28.7
Profit after tax	91	38	137	171
Minority interest	2	0	1	1
Share Profit from Associate	(2)	(3)	(2)	(1)
Adjusted PAT	82	40	134	170
YoY gr. (%)	131.4	(51.4)	234.6	27.3
Margin (%)	4.7	2.4	6.7	7.6
Extra Ord. Income / (Exp)	6	(5)	2	-
Reported PAT	88	35	135	170
YoY gr. (%)	112.6	(60.2)	286.1	25.7
Margin (%)	5.0	2.1	6.8	7.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	88	35	135	170
Equity Shares O/s (bn)	2	2	2	2
EPS (Rs)	34.0	16.3	54.6	69.5

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	1,545	1,795	1,995	2,205
Tangibles	1,545	1,795	1,995	2,205
Intangibles	-	-	-	-
Acc: Dep / Amortization	427	520	618	727
Tangibles	427	520	618	727
Intangibles	-	-	-	-
Net fixed assets	1,118	1,275	1,377	1,478
Tangibles	1,118	1,275	1,377	1,478
Intangibles	-	-	-	-
Capital Work In Progress	304	210	210	210
Goodwill	6	6	6	6
Non-Current Investments	133	127	127	127
Net Deferred tax assets	(83)	(84)	(84)	(84)
Other Non-Current Assets	68	69	69	69
Current Assets				
Investments	0	58	58	58
Inventories	378	350	400	471
Trade receivables	75	84	86	105
Cash & Bank Balance	126	133	74	90
Other Current Assets	51	71	69	77
Total Assets	2,290	2,407	2,501	2,715
Equity				
Equity Share Capital	3	3	3	3
Other Equity	774	792	920	1,084
Total Networth	777	795	923	1,087
Non-Current Liabilities				
Long Term borrowings	842	988	888	888
Provisions	15	14	14	14
Other non current liabilities	46	0	0	0
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	334	326	390	440
Other current liabilities	141	137	137	137
Total Equity & Liabilities	2,290	2,407	2,501	2,715

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	134	51	195	240
Add. Depreciation	82	93	98	109
Add. Interest	81	81	86	110
Less Financial Other Income	10	7	7	10
Add. Other	(11)	10	(7)	(10)
Op. profit before WC changes	285	236	372	450
Net Changes-WC	(136)	(7)	13	(47)
Direct tax	(28)	(20)	(57)	(69)
Net cash from Op. activities	121	209	328	334
Capital expenditures	(166)	(145)	(202)	(211)
Interest / Dividend Income	9	7	7	10
Others	10	(31)	-	-
Net Cash from Invt. activities	(146)	(170)	(194)	(201)
Issue of share cap. / premium	0	0	-	-
Debt changes	39	104	(100)	-
Dividend paid	(8)	(18)	(7)	(6)
Interest paid	(81)	(88)	(86)	(110)
Others	-	-	-	-
Net cash from Fin. activities	(50)	(3)	(193)	(116)
Net change in cash	(76)	36	(59)	16
Free Cash Flow	(37)	82	128	124

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	34.0	16.3	54.6	69.5
CEPS	67.8	54.4	94.8	114.1
BVPS	321.3	325.1	377.6	444.6
FCF	(15.4)	33.6	52.4	50.7
DPS	7.3	2.8	2.5	2.5
Return Ratio(%)				
RoCE	13.0	8.0	15.1	18.0
ROIC	9.6	6.4	11.5	13.9
RoE	11.5	5.1	15.5	16.9
Balance Sheet				
Net Debt : Equity (x)	0.9	1.0	0.8	0.7
Net Working Capital (Days)	25	23	18	22
Valuation(x)				
PER	29.6	61.8	18.5	14.5
P/B	3.1	3.1	2.7	2.3
P/CEPS	14.9	18.5	10.6	8.8
EV/EBITDA	11.2	14.2	8.7	7.1
EV/Sales	1.8	1.9	1.6	1.4
Dividend Yield (%)	0.7	0.3	0.2	0.2

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	429	397	414	448
YoY gr. (%)	1.7	(11.0)	(1.3)	(3.1)
Raw Material Expenses	225	211	225	239
Gross Profit	204	186	189	209
Margin (%)	47.5	46.8	45.6	46.7
EBITDA	55	54	56	64
YoY gr. (%)	(21.8)	(31.1)	(22.3)	4.1
Margin (%)	12.8	13.7	13.5	14.2
Depreciation / Depletion	22	23	23	25
EBIT	33	32	32	39
Margin (%)	7.7	8.0	7.8	8.7
Net Interest	21	21	21	21
Other Income	2	2	1	2
Profit before Tax	14	9	12	20
Margin (%)	3.2	2.1	2.8	4.4
Total Tax	5	4	5	2
Effective tax rate (%)	36.9	45.2	39.2	11.6
Profit after Tax	9	5	7	17
Minority interest	-	-	-	-
Share Profit from Associates	-	(1)	-	(2)
Adjusted PAT	8	7	8	16
YoY gr. (%)	(63.9)	(69.9)	(67.0)	19.8
Margin (%)	2.0	1.8	1.9	3.5
Extra Ord. Income / (Exp)	-	(3)	(1)	(1)
Reported PAT	8	4	7	15
YoY gr. (%)	(63.9)	(84.1)	(70.3)	15.7
Margin (%)	2.0	1.1	1.7	3.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8	4	7	15
Avg. Shares O/s (bn)	2	2	2	2
EPS (Rs)	3.5	2.9	3.3	6.4

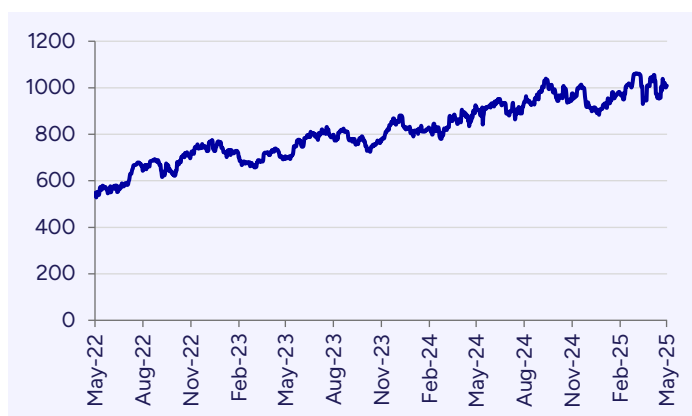
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Crude Steel Production (mt)	25.0	26.5	29.2	33.0
India Sales Volume incl BPSL (mt)	23.8	25.7	28.2	32.0
Realisation / tonne (Rs)	65,215	57,382	57,906	60,073
EBITDA / tonne (Rs)	11,466	7,418	11,816	11,414

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-May-25	Accumulate	1,150	973
2	23-Apr-25	Accumulate	1,150	1,044
3	08-Apr-25	Accumulate	1,009	930
4	27-Jan-25	Hold	919	932
5	09-Jan-25	Hold	872	891
6	26-Oct-24	Accumulate	1,014	944
7	07-Oct-24	Accumulate	1,106	1,034
8	21-Jul-24	Accumulate	1,022	890
9	07-Jul-24	Accumulate	1,026	951

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	Accumulate	724	663
5	Jindal Stainless	BUY	678	580
6	Jindal Steel & Power	Accumulate	978	893
7	JSW Steel	Accumulate	1,150	973
8	National Aluminium Co.	BUY	212	185
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	176	149
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

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