

HOLD

TP: Rs 1,297 | ▲ 6%

JINDAL STEEL

| Metals & Mining

| 02 May 2026

Results better than expectations on strong volume growth

- Revenue grew by 23.0%YoY; EBITDA grew by 29.4%YoY, driven primarily by volume growth of 23.0%YoY and lower cost respectively
- Outlook remains positive with positive pricing environment, aided by demand and the benefit of ramp up of capacity
- Maintain HOLD, considering improved performance and rollover valuation to Mar'28E; revise TP upwards to Rs1,297 from Rs1,192

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Revenue & EBITDA better than expectations: Revenue came at Rs162bn, (+23.0%YoY, +24.5%QoQ); 7% above our estimates. EBITDA came at Rs29bn (+29.4%YoY, +79.9%QoQ); 8% above our estimates. The performance is due to the better-than-expected volume performance and lower cost in the quarter. EBITDA/t was Rs11,218 - higher by 5.2%YoY vs Rs10,661 in Q4FY25. Average realisation was flat YoY at Rs61,900 per tonne. However, PAT was below expectations due to exceptional expenses.

Volumes: Volumes came at 2.62mnt, higher by 23%YoY – helped by a ramp-up in commissioned capacity. Volume growth was higher vs domestic demand growth of 11% YoY. Volumes increased 14.9% QoQ. Management targets sales volumes of 10.5-11.0mnt for FY27E vs 8.7mnt for FY26; a 21-26%YoY growth.

Domestic pricing: Realisations remained flat YoY and higher by 8.3% QoQ to Rs61,900/t. Spot HRC prices are at Rs54,000/t. Prices have improved by Rs4,800/t since the end of Dec'25. Management is positive on the pricing and expects the price improvement to sustain, on the back of good demand.

For full year FY26, volume growth stood at 8.9%YoY to 8.7mnt; price declined by 1.8% to Rs61,319/t and EBITDA/t stood at Rs11,128.

Expansion project: The company commissioned 6mnt during the year, taking crude steel capacity from 9.6mnt to 15.6mnt as on March 2026. The increase in this capacity is progressing at a steady pace. The company incurred a capex of Rs25bn in Q4 with the total capex at Rs96bn in FY26 vs Rs106bn in FY25. With a positive outlook on pricing and improvement in demand, management expects the performance to sustain, supported by a ramp-up in the expanded capacity.

Maintain HOLD and revise TP upwards: Outlook remains positive, considering the pricing and demand. Maintain HOLD; on improved volume performance & rollover to Mar.28E, raise TP to Rs1,297 from Rs1,192 based on 7.5xEV/EBITDA on Mar.28E EBITDA.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	JSP IN/Rs 1,223
Market cap	US\$ 13.1bn
Free float	37%
3M ADV	US\$ 17.4mn
52wk high/low	Rs 1,306/Rs 834
Promoter/FPI/DII	63%/9%/19%

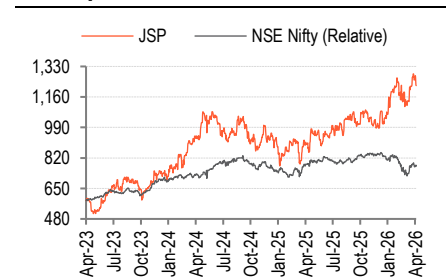
Source: NSE | Price as of 30 Apr 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	532,249	711,856	813,626
EBITDA (Rs mn)	96,595	151,956	190,077
Adj. net profit (Rs mn)	42,388	68,526	95,260
Adj. EPS (Rs)	41.7	67.3	93.6
Adj. ROAE (%)	8.6	12.6	15.3
Adj. P/E (x)	29.4	18.2	13.1
EV/EBITDA (x)	14.5	9.0	6.8
Adj. EPS growth (%)	4.3	61.7	39.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly performance

(Rs mn)	Q4FY26	Q3FY26	QoQ (%)	Q4FY25	YoY (%)	FY26	FY25	YoY (%)
Revenue	162,179	130,266	24.5	131,831	23.0	532,249	497,650	7.0
EBITDA	29,391	16,337	79.9	22,708	29.4	96,595	94,942	1.7
EBITDA margin (%)	18.1	12.5	56bps	17.2	9bps	18.1	19.1	(10bps)
Depreciation	8,618	8,387	2.8	6,906	24.8	31,715	27,675	14.6
Interest	4,423	4,065	8.8	3,416	29.5	15,166	13,121	15.6
Other income	2,664	95	2,694.9	718	270.9	3,282	1,675	95.9
PBT	19,013	3,982	377.5	13,104	45.1	52,997	55,821	(5.1)
Tax	329	1,503	(78.1)	3,754	(91.2)	10,523	14,979	(29.7)
Reported PAT	10,448	1,904	448.6	(3,394)	407.8	33,674	28,121	19.7
Exceptional item	(8,168)	(546)	(1,397.1)	(12,295)	33.6	(8,714)	(12,295)	29.1
Adjusted PAT	18,616	2,450	659.9	8,900	109.2	42,388	40,416	4.9
Adj. PATM (%)	6.4	1.5	49bps	(2.6)	90bps	8.0	8.1	(1bps)
Adjusted EPS (Rs)	18.3	2.4	659.9	8.8	108.0	41.7	39.9	4.3

Source: Company

Fig 2 – Q4FY26 Actual vs Estimates

Particulars	Q4 Actual	Q4 FY26E	VAR (%)
Revenue (Rs mn)	162,179	151,738	6.9
EBITDA (Rs mn)	29,391	27,232	7.9
EBITDA margin (%)	18.1	17.9	-
PAT (Rs mn)	10,448	11,632	(10.2)
EPS (Rs)	10.3	11.4	(10.2)

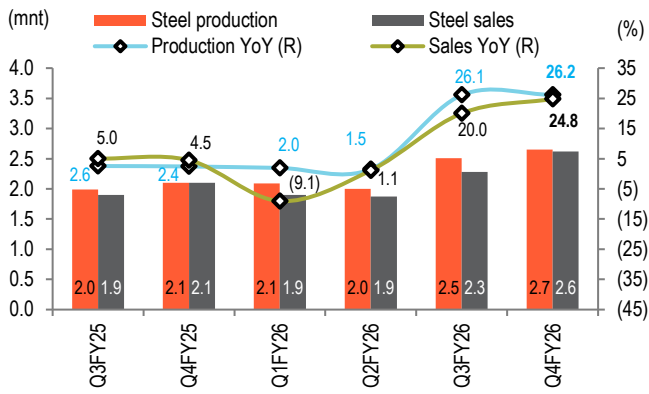
Source: Company, BOBCAPS Research

Fig 3 – Business performance

Particulars	Q4FY26	Q3FY26	QoQ (%)	Q4FY25	YoY (%)	FY26	FY25	YoY (%)
Sales volumes (mnt)	2.62	2.28	14.9	2.13	23.0	8.68	7.97	8.9
Production volumes (mnt)	2.65	2.51	5.6	2.10	26.2	9.3	8.1	14.1
Realization (Rs/t)	61,900	57,134	8.3	61,893	0.0	61,319	62,440	(1.8)
EBITDA (Rs/t)	11,218	7,165	56.6	10,661	5.2	11,128	11,912	(6.6)

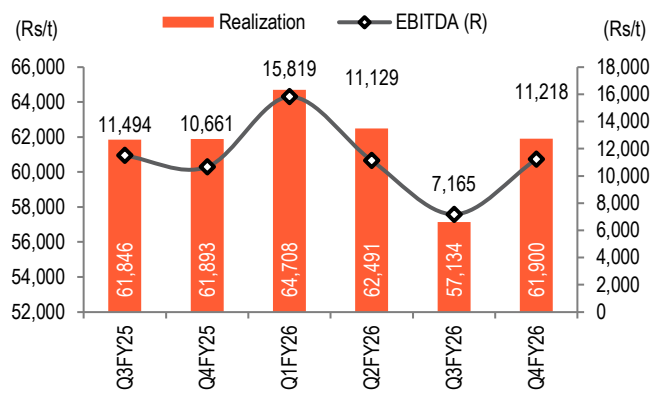
Source: Company

Fig 4 – Production and sales trend



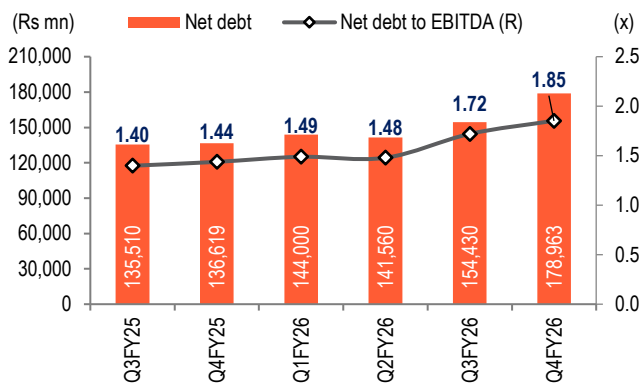
Source: Company

Fig 5 – Realisation & EBITDA trend



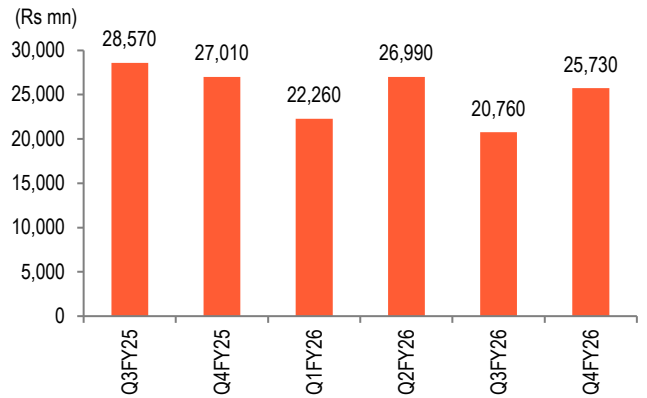
Source: Company

Fig 6 – Leverage



Source: Company

Fig 7 – Capex



Source: Company

Call Highlights

- **Volumes performance:** Jindal Steel's volume growth of 23.0% was much better vs industry growth of 11.0% in Q4FY26. Share of domestic sales increased to 95% in Q4FY26 from 94% in Q3FY26. It was 97% in Q4FY25. Ramp-up in commissioned capacity aided the performance. Exports share was 5% vs 3% in Q4FY25; value added share 61% vs 66% in Q4FY25 and was 66% in Q3FY26. Management expects the industry growth at 9% for FY27E and Jindal Steel is expected to have sales volume growth of 21-26%YoY in FY27E, driven by ramp-up in expanded capacity and demand growth.
- **Industry demand/environment:** Domestic steel consumption grew by 11.0%YoY to 44.6mnt in Q4FY26; and by 8.0%YoY to 164.2mnt in FY26. Steel imports fell by 6.0%YoY to 2.2mnt in Q4FY26. Imports decreased by 22%YoY to 8.2mnt in FY26.
- **Pricing:** Management commented that prices have improved by Rs4,800/t since the end of Dec'25. Spot HRC prices are Rs54,000/t. Current prices are better vs Q4FY26 average; management expects the price improvement to sustain, on the back of good demand from infra, construction and auto business segments.
- **Cost guidance:** The company has iron ore and coal assets. It has been declared the preferred bidder for the Thakurani - A1 iron ore block during Q4FY26. Iron ore captive share is 40%. Management guided for an increase of USD20-USD25 in coking coal cost for Q1FY27.
- Reported PAT was lower than estimates due to an exception loss of Rs8,168mn for Q4FY26. This consists of impairment loss on mining asset, inventory write down of Rs8,336mn in overseas subsidiary Wollongong Resources (Australia) and reversal of expense provision of Rs168mn for employee benefit obligation.
- **Capex:** The company incurred capex of Rs25bn in Q4, taking the total to Rs96bn for FY26, primarily driven by expansion projects at Angul. Management has guided for annual growth capex of Rs75,000–100,000mn. The slurry pipeline project for transporting iron ore from Barbil to the Angul steel plant is expected to be commissioned in Q1FY27 and is likely to result in cost savings of Rs700–1,000 per tonne.
- **Net debt:** Consolidated net debt increased to Rs179bn on Mar.26 from Rs136bn on Mar.25 due to increase in working capital requirement. Net D/E stood at 0.4x and Net Debt/EBITDA at 1.9x. Net debt was Rs154bn on Dec'25. Targets to keep Net debt/EBITDA below 1.5x throughout investment cycle and expects leverage to get normalised by Q2FY27.

Valuation Methodology

We are positive on the demand environment and pricing. Expansion project will contribute to incremental volumes in FY27E and onwards.

Key changes in assumptions:

- Volumes – We revise numbers slightly with estimate of 23.4% vs earlier 29.0% for FY27E, on account of better FY26 volumes at 8.9%; 12.1% growth vs earlier 11.5% for FY28E and 3.3% growth vs earlier 4.0% for FY29E. FY26 volume growth was 8.9%YoY.
- Pricing – Growth was kept unchanged at 2.0% for FY27E; 2.5% for FY28E; and 2.0% vs earlier 1.0% for FY29E.
- USD-INR assumption revised to Rs95 vs earlier Rs91 for FY27E, FY28E and FY29E.

Fig 8 – Revision in estimates

(Rs mn)	Actual	New			Old			Change (%)		
	FY26A	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	532,249	711,856	813,626	855,202	706,930	802,999	842,085	0.7	1.3	1.6
EBITDA	96,595	151,956	190,077	219,748	157,548	191,048	199,438	(3.5)	(0.5)	10.2
EBITDA % margin	18.1	21.3	23.4	25.7	22.3	23.8	27.3			
PAT	33,674	68,526	95,260	118,396	74,197	99,693	102,677	(7.6)	(4.4)	15.3
EPS (Rs)	33.1	67.3	93.6	116.4	72.9	98.0	100.9	(7.6)	(4.4)	15.3

Source: Company, BOBCAPS Research

Fig 9 – Key assumptions

Particulars	FY25	FY26	FY27E	FY28E	FY29E
USD-INR	83.0	90.0	95.0	95.0	95.0
Sales volumes (mn t)	8.0	8.7	10.7	12.0	12.4
Realisation (Rs/t)	62,440	61,319	62,545	64,109	65,391
% Growth YoY					
Volumes	3.9	8.9	23.4	12.1	3.3
Realisation	(4.3)	(1.8)	2.0	2.5	2.0
EBITDA/t (Rs)	11,912	11,128	14,191	15,829	17,710

Source: Company, BOBCAPS Research

EV/EBITDA-based Valuation Rationale

We maintain HOLD; on improved volume performance & rollover to Mar.28E, raise TP to Rs1,297 from Rs1,192 based on 7.5xEV/EBITDA on Mar.28E EBITDA. The increase in TP accounts for an improved volume performance, rollover to Mar.28E EBITDA vs earlier Dec.27 and multiple raise from 6.5x to 7.5x offset by increase in Net debt on Mar.26. We raise the multiple considering the moderation in capex intensity with commissioning of expanded capacity.

Fig 10 – Valuation summary

Particular	Mar. 28 EBITDA (Rs mn)	Multiple (x)	EV (Rs mn)	Value (Rs/share)
Jindal Steel	190,077	7.5	1,425,574	1,401
Net debt			178,963	176
CWIP			72,654	71
Target price			1,319,265	1,297

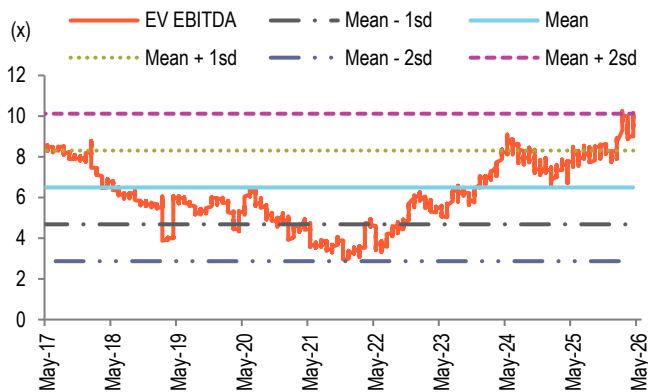
Source: , BOBCAPS Research

Key Risks

- **Ramp-up of commissioned expansion project:**

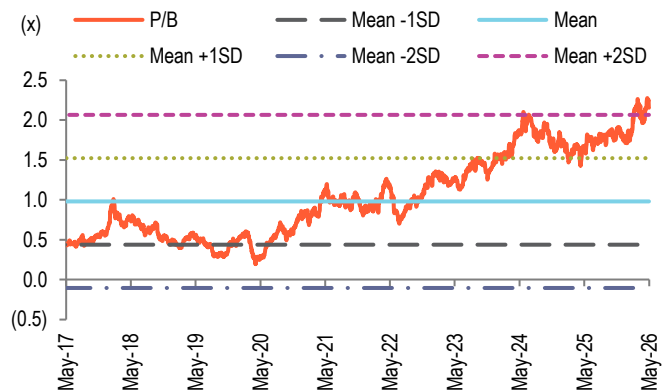
Jindal Steel has expanded capacity by 6mnt from 9.6mnt to 15.6mnt recently. This will be steadily ramped up during FY27E, which will lead to incremental sales volumes supported by industry demand. Any delay in ramp up would lead to lower-than-expected volumes estimated, and thereby, would likely have bearing on the growth trajectory.

Fig 11 – EV/EBITDA 1YF



Source – Bloomberg

Fig 12 – P/B 1YF



Source – Bloomberg

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	497,650	532,249	711,856	813,626	855,202
EBITDA	94,942	96,595	151,956	190,077	219,748
Depreciation	(27,676)	(31,715)	(44,408)	(48,458)	(52,058)
EBIT	68,942	68,163	110,579	144,709	170,843
Net interest inc./(exp.)	(13,121)	(15,166)	(15,403)	(12,403)	(6,403)
Other inc./(exp.)	1,675	3,282	3,030	3,091	3,153
Exceptional items	(12,295)	(8,714)	0	0	0
EBT	43,526	44,283	95,175	132,306	164,439
Income taxes	(14,979)	(10,523)	(26,649)	(37,046)	(46,043)
Extraordinary items	(12,295)	(8,714)	0	0	0
Min. int./Inc. from assoc.	(91)	(151)	0	0	0
Reported net profit	28,121	33,674	68,526	95,260	118,396
Adjustments	12,295	8,714	0	0	0
Adjusted net profit	40,416	42,388	68,526	95,260	118,396

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	57,125	87,777	117,397	134,181	141,038
Other current liabilities	68,714	67,993	67,993	67,993	67,993
Provisions	947	1,278	1,278	1,278	1,278
Debt funds	178,420	220,379	205,379	165,379	85,379
Other liabilities	78,995	81,782	81,782	81,782	81,782
Equity capital	1,012	1,018	1,018	1,018	1,018
Reserves & surplus	470,837	507,972	574,208	666,925	782,523
Shareholders' fund	474,193	518,410	584,646	677,363	792,961
Total liab. and equities	858,394	977,618	1,058,475	1,127,975	1,170,430
Cash and cash eq.	41,801	41,416	43,774	53,086	56,466
Accounts receivables	13,629	17,290	23,124	26,430	28,953
Inventories	56,102	80,228	107,300	122,641	131,250
Other current assets	46,543	67,215	67,215	67,215	67,215
Investments	4,956	10,606	10,606	10,606	10,606
Net fixed assets	474,023	625,330	670,922	712,464	740,406
CWIP	155,175	72,654	72,654	72,654	72,654
Intangible assets	15,310	15,141	15,141	15,141	15,141
Deferred tax assets, net	0	0	0	0	0
Other assets	38,430	37,015	37,015	37,015	37,015
Total assets	858,394	977,618	1,058,475	1,127,975	1,170,430

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	109,296	67,511	125,051	154,259	172,582
Capital expenditures	(104,858)	(99,318)	(90,000)	(90,000)	(80,000)
Change in investments	(13,821)	(9,667)	0	0	0
Other investing cash flows	6,249	6,140	0	0	0
Cash flow from investing	(112,430)	(102,846)	(90,000)	(90,000)	(80,000)
Equities issued/Others	9	6	0	0	0
Debt raised/repaid	19,456	41,959	(15,000)	(40,000)	(80,000)
Interest expenses	(13,121)	(15,166)	(15,403)	(12,403)	(6,403)
Dividends paid	2,024	2,035	2,289	2,544	2,798
Other financing cash flows	(3,676)	6,117	(4,579)	(5,088)	(5,596)
Cash flow from financing	4,692	34,951	(32,693)	(54,947)	(89,202)
Chg in cash & cash eq.	1,559	(384)	2,358	9,312	3,381
Closing cash & cash eq.	41,800	41,416	43,774	53,086	56,466

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	27.8	33.1	67.3	93.6	116.4
Adjusted EPS	39.9	41.7	67.3	93.6	116.4
Dividend per share	2.0	2.0	2.3	2.5	2.8
Book value per share	466.3	500.2	565.3	656.5	770.1

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.8	2.6	1.9	1.6	1.5
EV/EBITDA	14.6	14.5	9.0	6.8	5.7
Adjusted P/E	30.6	29.4	18.2	13.1	10.5
P/BV	2.6	2.4	2.2	1.9	1.6

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	0.9	1.0	0.7	0.7	0.7
Interest burden (PBT/EBIT)	0.6	0.6	0.9	0.9	1.0
EBIT margin (EBIT/Revenue)	13.9	12.8	15.5	17.8	20.0
Asset turnover (Rev./Avg TA)	0.6	0.6	0.7	0.7	0.7
Leverage (Avg TA/Avg Equity)	1.8	1.9	1.9	1.8	1.6
Adjusted ROAE	8.8	8.6	12.6	15.3	16.3

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	(0.5)	7.0	33.7	14.3	5.1
EBITDA	(6.9)	1.7	57.3	25.1	15.6
Adjusted EPS	(32.6)	4.3	61.7	39.0	24.3
Profitability & Return ratios (%)					
EBITDA margin	19.1	18.1	21.3	23.4	25.7
EBIT margin	13.9	12.8	15.5	17.8	20.0
Adjusted profit margin	8.1	8.0	9.6	11.7	13.8
Adjusted ROAE	8.8	8.6	12.6	15.3	16.3
ROCE	9.7	8.8	13.1	16.1	18.1
Working capital days (days)					
Receivables	10	12	12	12	12
Inventory	41	55	55	55	56
Payables	52	74	77	79	81
Ratios (x)					
Gross asset turnover	0.6	0.6	0.7	0.7	0.7
Current ratio	1.1	1.3	1.2	1.3	1.3
Net interest coverage ratio	5.3	4.5	7.2	11.7	26.7
Adjusted debt/equity	0.3	0.3	0.2	0.1	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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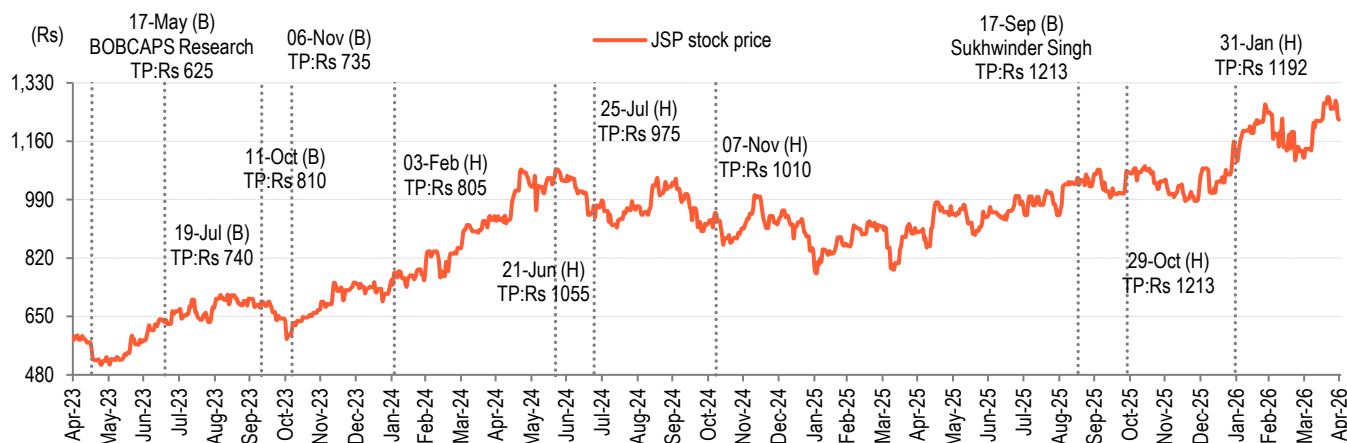
Recommendation scale: Recommendations and Absolute returns (%) over 12 months

- BUY** – Expected return >+15%
- HOLD** – Expected return from -6% to +15%
- SELL** – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): JINDAL STEEL (JSP IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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