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METALS & MINING | Q4FY26 Preview | 01 April 2026

Price increase to benefit performance of Steel companies

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- **Demand likely to remain good with 6.0-7.0%YoY growth, driven by strong demand from construction and auto sector**
- **Steel pricing improved by 8.6%YoY and 7.2%QoQ. Costs increased up to some extent owing to coking coal price**
- **Maintain BUY on JSW Steel with TP of Rs1,338, BUY on Hindalco with TP of Rs1,050 and BUY on Goodluck India with TP of 1,788**

Overall sector performance: The sector will likely show good volumes growth performance during Q4FY26E with volume growth estimated to be 6-7%YoY. Pricing improved with an increase of 8.6%YoY and 7.2%QoQ, helped by strong demand and safeguard duty imposed by the government. Cost likely to increase to some extent by coking coal price. Jindal Steel is expected to deliver the strongest volume growth among peers at 16.7% YoY, driven by the ramp-up of expanded capacity, with further benefits likely from the normalization of ramp-up costs in Q4FY26. Overall, our coverage universe of 4 steel companies is likely to show revenue growth of 13.4%YoY and EBITDA growth of 28.2%YoY.

Pricing environment: Price of HRC steel for Q4FY26E averaged Rs52,000/t, higher by Rs4,100 from Rs47,900/t in Q4FY25 and higher by Rs3,500 from Rs48,500/t in Q3FY26. QoQ increase is by 7.2%. Improvement is on the back of strong demand that led to industry players taking price hikes during this period.

JSW Steel: Likely to see revenue growth of 10.5%YoY and EBITDA growth of 18.0%YoY. Revenue growth is driven by pricing growth of 7.0% and volume growth of 3.5%. This would likely benefit EBITDA performance. EBITDA/t likely to be Rs9,703 from Rs8,515 in Q4FY25, a growth of 13.9%YoY – which is the benefit from price growth.

Jindal Steel: Likely to see revenue growth of 15.1%YoY, driven by volume growth of 16.7%YoY due to sustained industry demand and the ramp-up of expanded capacity commissioned in Q2FY26. EBITDA performance likely to be strong at 19.9%YoY, on account of pricing growth and normalisation of expansion-related costs incurred in the earlier quarters.

Tata Steel: Likely to see revenue growth of +15.5%YoY and +18.0%QoQ, driven by volume growth and pricing growth in India & Europe businesses. Standalone business will likely see 13.8% growth in revenues, led by volumes growth of 9%YoY. India EBITDA/t likely to be higher on YoY basis at Rs14,300 vs Rs12,463 in Q4FY25. Europe to see + EBITDA/t at USD10 vs negative USD37 in Q4FY25.

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SAIL: Expect a revenue growth of 13.0%YoY and EBITDA growth of 3.3%YoY. This will likely driven by volume growth of 6.0%YoY accompanied with price growth of 6.6%YoY. Cost increased marginally owing to coking coal cost. This will likely limit the benefit on EBITDA due to price increase.

Goodluck India: Likely to witness revenue growth of 11.7%YoY - primarily driven by volume growth of 7%. EBITDA is likely to benefit from topline growth. Defence subsidiary likely is expecting to see a revenue of Rs400mn with EBITDA margin of 28% which will aid in incremental EBITDA and profitability.

Hindalco: Likely to see revenue growth of 10.4%, primarily driven by Standalone (Al and Copper businesses). Novelis is likely to have 2% revenue growth and EBITDA/t is likely to at USD450 vs USD494 in Q4FY25. EBITDA will likely be lower on account of lower EBITDA of Novelis business and decreased volumes at Novelis on YoY basis. However, Novelis should show improvement on QoQ basis.

We maintain BUY on JSW Steel with TP of Rs1,338; HOLD on Jindal Steel and Tata Steel with TP of Rs1,246 and Rs213 and SELL on SAIL with TP of Rs138.

We maintain BUY on Goodluck India with TP of 1,788.

We maintain BUY on Hindalco with TP of Rs1,050.

Fig 1 – BOBCAPS Metal universe: Q4FY26E preview

Y/E March	Net Sales (Rs mn)			EBITDA (Rs mn)			PAT (Rs mn)		
	Q4FY26E	YoY (%)	QoQ (%)	Q4FY26E	YoY (%)	QoQ (%)	Q4FY26E	YoY (%)	QoQ (%)
JSW Steel	489,978	10.5	8.4	75,238	18.0	15.8	22,275	48.4	4.1
Jindal Steel	151,738	15.1	16.5	27,232	19.9	66.7	11,632	30.7	510.8
Tata Steel	622,605	15.5	18.0	90,710	58.0	22.1	35,368	324.4	70.2
SAIL	331,363	13.0	21.1	35,980	3.3	56.8	12,750	1.9	240.9
Total	**1,595,685**	**13.4**	**15.3**	**229,160**	**28.2**	**28.4**	**82,026**	**152.7**	**71.6**
Goodluck India	12,206	11.7	18.7	1,218	43.8	20.5	583	39.0	33.6
Hindalco Ind.	716,423	10.4	7.7	86,432	(2.2)	8.1	45,618	(13.7)	(2.1)

Source: Company, BOBCAPS Research

Fig 2 – JSW Steel

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ %)
Consol. Volumes (mn t)	7.8	7.5	3.5	7.6	1.5
Consol. EBITDA/t (Rs.)	9,703	8,515	13.9	8,503	14.1
Standalone Volumes (mn t)	6.27	5.77	8.6	5.55	12.9
Standalone EBITDA/t (Rs)	8,925	8,783	1.6	7,425	20.2
Revenue (Rs mn)	489,978	443,410	10.5	452,190	8.4
EBITDA (Rs mn)	75,238	63,780	18.0	64,960	15.8
EBITDA margin (%)	15.4	14.4	6.8	14.4	6.9
PAT (Rs mn)	22,275	15,010	48.4	21,390	4.1

Comments

- Revenue growth of 10.5%YoY primarily led by pricing growth of 7.0% and volume growth of 3.5%.
- EBITDA benefitted from pricing growth offset by coking coal cost increase up to some extent.
- Expected EBITDA/t is likely to be increased by 13.9%YoY to Rs9,703.

Source: Company, BOBCAPS Research

Fig 3 – Jindal Steel

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ %)	Comments
Sales volumes (mn t)	2.45	2.10	16.7	2.28	7.5	▪ Revenue growth of 15.1%YoY is likely to be driven by incremental volumes from expanded capacity.
EBITDA/t (Rs)	11,115	10,813	2.8	7,165	55.1	▪ Volume growth is estimated at 16.7%YoY. Pricing to see decline of 1.3%YoY on a high base of last year. Pricing is likely to improve QoQ by 8.4%.
Revenue (Rs mn)	151,738	131,831	15.1	130,266	16.5	
EBITDA (Rs mn)	27,232	22,708	19.9	16,337	66.7	▪ EBITDA performance at 19.9%YoY is driven by pricing growth and normalisation of expansion-related costs in the earlier quarters.
EBITDA margin (%)	17.9	17.2	4.2	12.5	43.1	
PAT (Rs mn)	11,632	8,900	30.7	1,904	510.8	

Source: Company, BOBCAPS Research

Fig 4 – TATA Steel

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ %)	Comments
Standalone volumes (mnt)	6.1	5.6	8.9	6.0	1.0	▪ Revenue growth of 15.5% is likely to be driven by volume growth and pricing growth in India & Europe.
Standalone EBITDA/t (Rs)	14,300.0	12,463.0	14.7	12,800.0	11.7	
Europe volumes (mn t)	2.1	2.4	(11.7)	1.9	9.5	▪ Standalone business likely to see 13.8% growth in revenues led by volumes growth of 9%YoY in India. Standalone to see price increase YoY and QoQ due to price hike.
Europe EBITDA/t (USD)	10.0	(37.0)	-	(10.0)	-	
Revenue (Rs mn)	622,605	539,047	15.5	527,441	18.0	
EBITDA (Rs mn)	90,710	57,413	58.0	74,275	22.1	▪ EBITDA growth of 58.0%YoY is on account of India and Europe profitability. Expect Europe EBITDA/t at USD10 vs loss of USD37 in Q4FY25 and loss of USD10 in Q3FY26.
EBITDA margin (%)	14.6	10.7	36.8	14.1	3.5	
PAT (Rs mn)	35,368	8,334	324.4	20,777	70.2	

Source: Company, BOBCAPS Research

Fig 5 – SAIL

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ %)	Comments
Sales volumes (mnt)	5.7	5.3	6.0	5.2	9.7	▪ Revenue growth estimated to be 13.0%YoY - led by volume growth and price growth.
EBITDA/t (Rs)	6,363	6,530	(2.6)	4,463	42.6	
Revenue (Rs mn)	331,363	293,161	13.0	273,714	21.1	▪ Volume growth is likely to be 6.0%YoY - in line with the industry growth rate. This will benefit EBITDA performance with growth of 3.3%YoY, helped by low coking coal cost inventory.
EBITDA (Rs mn)	35,980	34,839	3.3	22,943	56.8	
EBITDA margin (%)	10.9	11.9	(8.6)	8.4	29.5	
PAT (Rs mn)	12,750	12,510	1.9	3,740	240.9	

Source: Company, BOBCAPS Research

Fig 6 – Goodluck India

Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ %)	Comments
Sales volumes (mnt)	0.14	0.13	7.0	0.12	12.6	▪ Revenue growth of 11.7%YoY is primarily driven by volume growth of 7%. EBITDA will likely benefit from topline growth.
EBITDA/t (Rs)	8,174	6,699	22.0	8,164	0.1	
Revenue (Rs mn)	12,206	10,924	11.7	10,280	18.7	▪ Defence subsidiary is expected to see revenue of Rs400mn with EBITDA margin of 28% that will aid in incremental EBITDA and profitability.
EBITDA (Rs mn)	1,218	847	43.8	1,011	20.5	
EBITDA margin (%)	10.0	7.8	28.7	9.8	1.4	
PAT (Rs mn)	583	419	39.0	436	33.6	

Source: Company, BOBCAPS Research

Fig 7 – Hindalco Industries

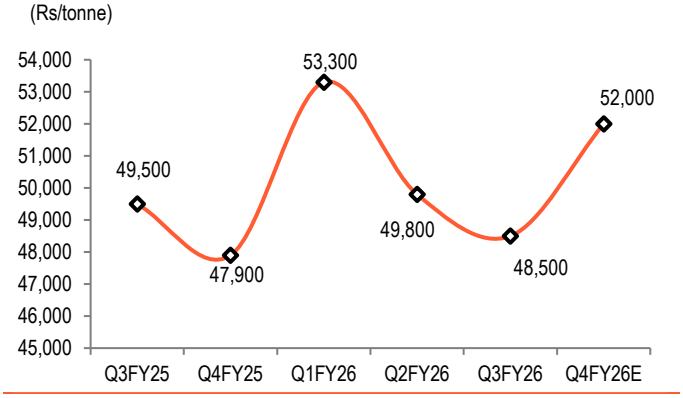
Particulars	Q4FY26E	Q4FY25	YoY (%)	Q3FY26	QoQ %)
Volumes (mn t)	350	332	5.5	345	1.5
Standalone EBITDA/t (Rs)	1,622.0	1,684.0	(3.7)	1,572.0	3.2
Novelis volumes (kt)	858	957	(10.4)	809	6.0
Novelis EBITDA/t (USD)	450	494	(8.9)	430	4.6
Revenue (Rs mn)	716,423	648,900	10.4	665,210	7.7
EBITDA (Rs mn)	86,432	88,360	(2.2)	79,940	8.1
EBITDA margin (%)	12.1	13.6	(11.4)	12.0	0.4
PAT (Rs mn)	45,618	52,840	(13.7)	46,590	(2.1)

Comments

- Revenue growth of 10.4% is likely to be driven by Standalone (Al and Copper businesses).
- Novelis will likely have 2% revenue growth and EBITDA/t is likely to be at USD450 vs USD494 in Q4FY25.
- EBITDA is likely to be lower on account of lower EBITDA of Novelis business and lower volumes at Novelis. However, Novelis is likely to show improvement QoQ.

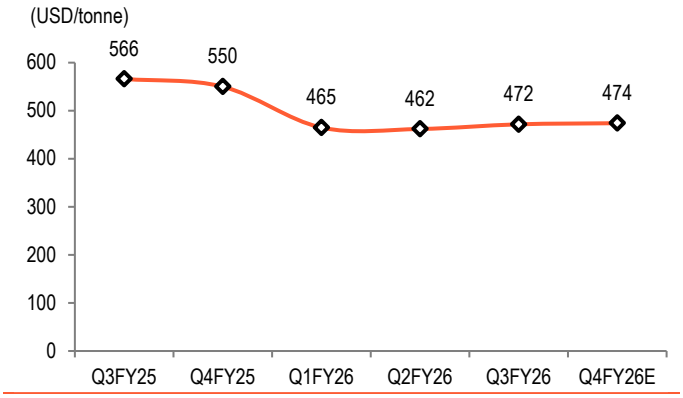
Source: Company, BOBCAPS Research

Fig 8 – Domestic HRC steel price



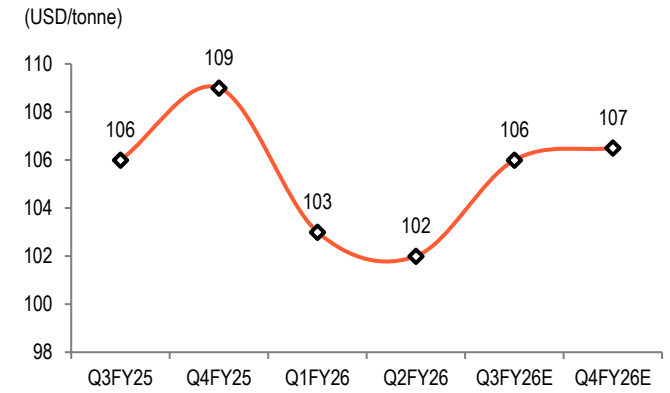
Source: Bloomberg

Fig 9 – China HRC price



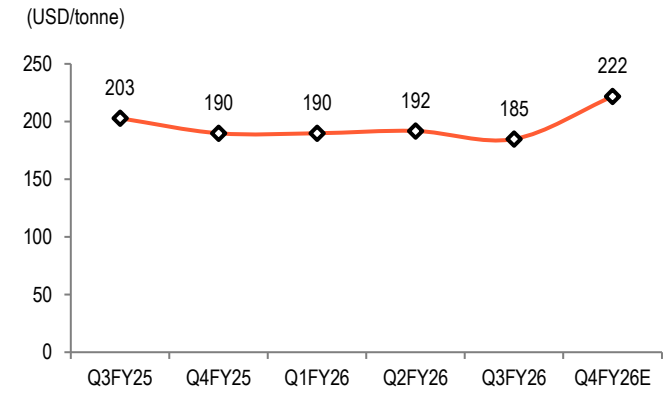
Source: Bloomberg

Fig 10 – Iron ore price



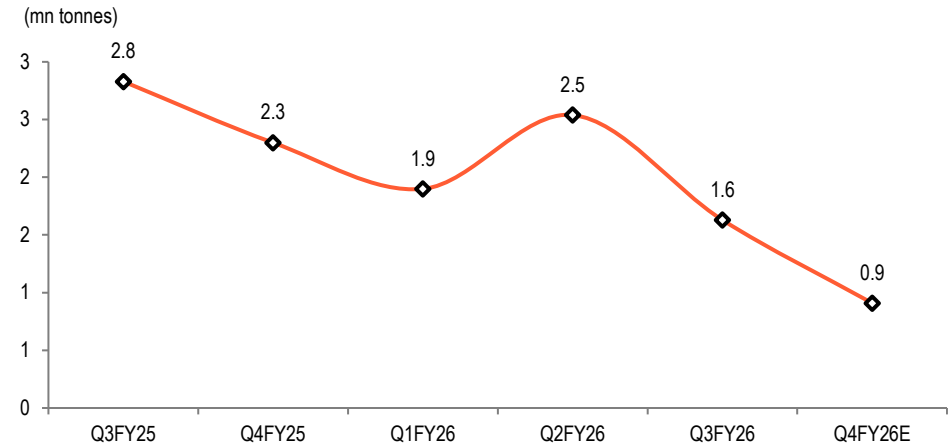
Source: Bloomberg

Fig 11 – Coking coal price



Source: Bloomberg

Fig 12 – Steel imports



Source: Bloomberg

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