

JSW Steel Limited

HOLD

Sector: Metals & Mining

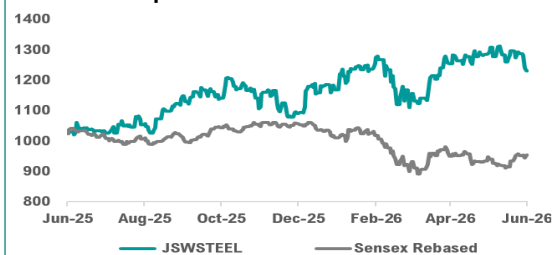
29th June, 2026

Key Changes	Target ▲	Rating ●	Earnings ▼	Target	Rs. 1,347
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large Cap	JSTL:IN	77,100	JSWSTEEL	500228	12 Months
				CMP	Rs. 1,230
				Return	+10%

Data as of: 25-June-2026, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	300,889		
52 Week High — Low (Rs.)	1,327– 1,015		
Enterprise Value (Rs. cr)	368,295		
Outstanding Shares (cr)	244.5		
Free Float (%)	38.2		
Dividend Yield (%)	0.2		
6m average volume (cr)	0.2		
Beta	1.0		
Face value (Rs.)	1.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	45.3	45.3	45.3
FII's	25.6	25.4	25.4
MFs/Institutions	10.9	11.1	11.2
Public	8.2	8.3	9.0
Others	10.0	9.9	9.1
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	6.5%	12.8%	20.1%
Absolute Sensex	2.3%	-9.9%	-7.0%
Relative Return	4.2%	22.7%	27.1%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	185,470	201,393	218,300
Growth (%)	9.9	8.6	8.4
EBITDA	29,821	38,029	42,560
EBITDA Margin (%)	16.1	18.9	19.5
Adj. PAT	8,698	14,806	17,202
Growth (%)	117.8	70.2	16.2
Adj. EPS	35.6	60.5	70.3
Growth (%)	117.8	70.2	16.2
P/E	35.6	21.2	18.2
P/B	2.7	2.8	2.4
EV/EBITDA	11.2	10.0	8.9
ROE (%)	8.2	13.2	13.5
D/E	0.9	0.8	0.7

India Demand Expected to Lead Growth

JSW Steel Limited (JSW Steel) is an integrated steel producer that makes products such as hot-rolled and cold-rolled coils, wire rods and galvanised coils and sheets. It has 14 manufacturing facilities in India.

- In Q4FY26, JSW Steel's consolidated revenue rose 14.2% YoY to Rs. 51,180cr, driven by higher realisations as prices improved due to better product mix.
- Capacity utilisation in Q4FY26 was ~96% excluding blast furnace (BF)-3 at the Vijayanagar plant and ~87% including BF-3.
- Steel sales increased 6.4% YoY to 7.97 million tonne (MT) in Q4FY26, supported by strong domestic demand.
- Consolidated crude steel production declined 1.8% YoY to 7.49 MT, primarily due to the BF-3 shutdown for upgradation, which lowered capacity utilisation.
- EBITDA rose 35.4% YoY to Rs. 8,634cr and margin improved 270bps to 16.9% due to increased net sales realisation and higher share of value-added products.
- Adj. PAT rose 124.6% YoY to Rs. 3,475cr, excluding a net exceptional gain of Rs. 17,888cr. This comprised of Rs. 18,051cr gain from the BPSL slump sale, offset by a Rs. 163cr labor code charge.

Outlook & Valuation

JSW Steel's Q4FY26 performance reflected steady operating momentum, with management citing strong domestic demand and a better mix of value-added and branded sales. India remains the key growth market, with demand expected to stay healthy across infrastructure and manufacturing. The management reiterated an accelerated expansion roadmap via brownfield projects and joint ventures, alongside continued downstream additions and greater raw-material integration. The company is also leveraging digitalisation/artificial intelligence (AI) to improve plant reliability and asset utilisation. On the risk front, the West Asia conflict has materialised, with the Strait of Hormuz blockade spiking fuel costs. A fragile June 2026 ceasefire has since eased tensions, but recurring Hormuz disruptions and the risk of renewed hostilities keep input-cost volatility and inflationary pressure a live near-term concern. Therefore, **we reiterate our HOLD rating with a rolled forward target price of Rs. 1,347, based on 9.2x FY28E EV/EBITDA.**

Quarterly Financials Consolidated

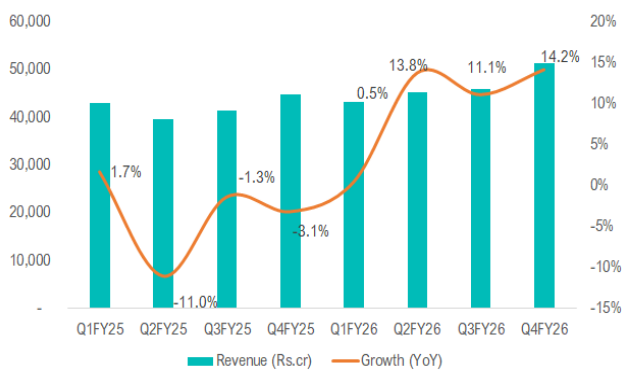
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	51,180	44,819	14.2	45,991	11.3	185,470	168,824	9.9
EBITDA	8,634	6,378	35.4	6,496	32.9	29,821	22,904	30.2
Margin (%)	16.9	14.2	270bps	14.1	280bps	16.1	13.6	250bps
EBIT	6,486	3,881	67.1	4,134	56.9	20,220	13,595	48.7
PBT	22,377	1,730	1,193.5	1,457	1435.8	29,250	5,077	476.1
Rep. PAT	19,243	1,501	1,182.0	2,410	698.5	25,508	3,491	630.7
Adj. PAT	3,475	1,547	124.6	2,668	29.3	8,698	3,993	117.8
Adj. EPS (Rs.)	14.2	6.3	124.6	10.9	29.3	35.6	16.3	117.8



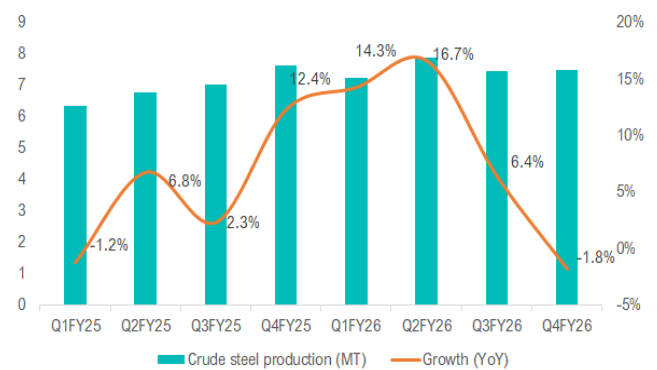
Key concall highlights

- JSW Steel has formed a 50:50 joint venture with Japan's JFE Steel for the steel business of Bhushan Power & Steel (BPSL). The JV was set up by end-March and JFE has already invested the first tranche of equity. The deal is expected to reduce JSW Steel's net debt by ~Rs. 37,000cr, of which ~Rs. 30,000cr was completed by March-end.
- The management guided FY27 capex of Rs. 22,000–24,000cr, while the approved growth capex is Rs. 1,26,000cr, to be spent over the next 4–5 years.
- The company has raised its India capacity target to 62 million tonne per annum (MTPA) by FY32 (vs 50 MTPA earlier). Including planned capacity from the JFE JV (10 MTPA) and the POSCO JV (6 MTPA), the India capacity is guided at ~78 MTPA by FY32.
- The management guided FY27 consolidated production at 29.75 MT and sales at 28.6 MT (including BMM volumes, but excluding the JFE JV). It expects domestic steel demand to grow 7–9% in FY27, and sees coking coal costs rising \$12–\$15/tonne QoQ in Q1FY27.
- JSW Steel is expanding Vijayanagar plant capacity by another 5 MTPA to reach 25 MTPA. Dolvi's phase 3 expansion would take it from 10 to 15 MTPA. It remains on track for completion by September 2027.

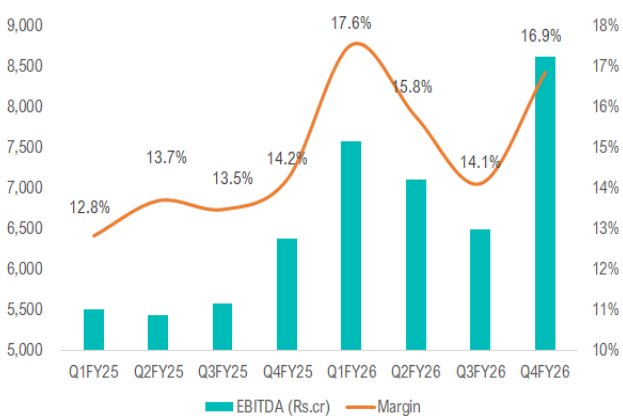
Revenue



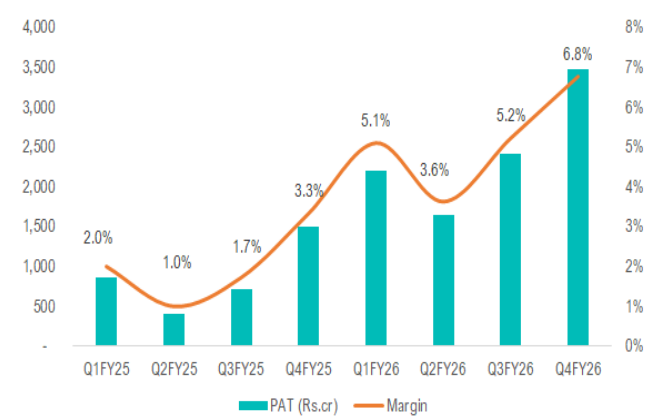
Crude steel production



EBITDA



PAT



Change in Estimates

Year / Rs. cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	208,525	-	201,393	218,300	-3.4	-
EBITDA	40,318	-	38,029	42,560	-5.7	-
Margins (%)	19.3	-	18.9	19.5	-0.40bps	-
Adj. PAT	15,650	-	14,806	17,202	-5.4	-
Adj. EPS	64.0	-	60.5	70.3	-5.4	-



Consolidated Financials

Profit & Loss

Y. E March (Rs.cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	175,006	168,824	185,470	201,393	218,300
% change	5.5	-3.5	9.9	8.6	8.4
EBITDA	28,236	22,904	29,821	38,029	42,560
% change	52.2	-18.9	30.2	27.5	11.9
Depreciation	8,172	9,309	9,601	9,901	11,541
EBIT	20,064	13,595	20,220	28,127	31,019
Interest	8,105	8,412	9,102	9,284	9,470
Other Income	1,421	694	1,248	1,118	1,643
PBT	13,380	5,077	29,250	19,961	23,192
% change	136.6	-62.1	476.1	-31.8	16.2
Tax	4,407	1,586	3,742	4,990	5,798
Tax Rate (%)	32.9	31.2	12.8	25.0	25.0
Reported PAT	8,973	3,491	25,508	14,971	17,394
PAT att. to common shareholders	8,812	3,504	22,316	14,806	17,202
Adj.*	-589	489	-16,810	-	-
Adj. PAT	8,223	3,993	8,698	14,806	17,202
% change	131.4	-51.4	117.8	70.2	16.2
No. of shares (cr)	244.5	244.5	244.5	244.5	244.5
Adj. EPS (Rs.)	33.6	16.3	35.6	60.5	70.3
% change	128.8	-51.4	117.8	70.2	16.2
DPS (Rs.)	7.3	2.8	7.1	7.0	8.0

Cashflow

Y. E March (Rs.cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	17,145	12,800	35,109	24,872	28,935
Non-cash adj.	5,606	7,452	-8,612	1,250	9,869
Other adjustments	-	-	-	-	-
Changes in W.C	-10,673	647	-1,345	-291	-60
C.F. Operation	12,078	20,899	25,152	25,831	38,744
Capital exp.	-15,547	-12,635	-14,542	-20,341	-24,231
Change in inv.	-975	-7,683	3,128	-386	-401
Other invest.CF	1,884	3,321	30,104	-615	-689
C.F - Investment	-14,638	-16,997	18,690	-21,342	-25,321
Issue of equity	-	-	-	-	-
Issue/repay debt	4,530	9,485	-5,646	1,107	1,119
Dividends paid	-822	-1,785	-685	-1,712	-1,956
Other finance.CF	-8,713	-7,962	-9,780	-10,053	-10,162
C.F - Finance	-5,005	-262	-16,111	-10,659	-10,999
Chg. in cash	-7,565	3,640	27,731	-6,170	2,424
Closing Cash	12,348	13,285	40,989	34,819	37,244

Balance Sheet

Y. E March (Rs.cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	12,348	13,285	40,989	34,819	37,244
Accts. Receivable	7,548	8,415	11,260	12,084	12,880
Inventories	37,815	34,956	32,765	34,955	37,942
Other Cur. Assets	6,823	14,080	18,421	19,534	20,711
Investments	7,383	9,561	9,766	10,610	11,538
Gross Fixed Assets	148,574	161,209	175,751	196,092	220,323
Net Fixed Assets	105,123	116,814	110,946	121,409	134,124
CWIP	29,216	20,478	20,478	20,478	20,478
Intangible Assets	3,181	3,181	3,032	3,058	3,085
Def. Tax -Net	300	297	18	100	116
Other Assets	18,461	19,675	22,001	23,440	25,010
Total Assets	228,198	240,742	269,676	280,486	303,128
Current Liabilities	47,844	46,652	49,453	47,816	51,017
Provisions	1,451	1,399	1,939	1,978	2,017
Debt Funds	85,585	95,957	95,532	96,639	97,758
Other Liabilities	13,542	15,068	17,277	15,320	18,165
Equity Capital	305	305	305	305	305
Res. & Surplus	77,364	79,191	99,748	112,842	128,088
Shareholder Funds	77,669	79,496	100,053	113,147	128,393
Minority Interest	2,107	2,170	5,422	5,587	5,778
Total Liabilities	228,198	240,742	269,676	280,486	303,128
BVPS	318	325	409	463	525

Ratios

Y. E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	16.1	13.6	16.1	18.9	19.5
EBIT margin (%)	11.5	8.1	10.9	14.0	14.2
Net profit mgn.(%)	5.0	2.1	12.0	7.4	7.9
ROE (%)	11.6	4.4	8.2	13.2	13.5
ROCE (%)	12.1	7.7	10.1	13.1	13.4
W.C & Liquidity					
Receivables (days)	15.7	18.2	22.2	21.9	21.5
Inventory (days)	129.2	120.2	106.1	105.9	105.1
Payables (days)	114.0	111.9	111.6	112.7	113.4
Current ratio (x)	1.0	1.2	1.5	1.5	1.5
Quick ratio (x)	0.3	0.5	0.8	0.7	0.7
Turnover & Leverage					
Gross asset T.O (x)	1.2	1.1	1.1	1.1	1.0
Total asset T.O (x)	0.8	0.7	0.7	0.7	0.7
Int. covge. ratio (x)	2.5	1.6	2.2	3.0	3.3
Adj. debt/equity (x)	1.1	1.2	0.9	0.8	0.7
Valuation					
EV/Sales (x)	1.6	2.0	1.8	1.9	1.7
EV/EBITDA (x)	9.9	15.1	11.2	10.0	8.9
P/E (x)	24.7	65.1	35.6	21.2	18.2
P/B (x)	2.6	3.3	2.7	2.8	2.4



Recommendation Summary - (Last 3 years)



Dates	Rating	Target
25-Jan-23	REDUCE	634
28-Jul-23	HOLD	842
19-Feb-24	HOLD	897
24-Jun-24	HOLD	1,019
27-Dec-24	HOLD	999
24-Jun-25	HOLD	1,091
30-Oct-25	HOLD	1,291
29-Jun-26	HOLD	1,347

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: ▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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