RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 1,322 | ▲ 28%

JINDAL STEEL | Metals & Mining | 25 July 2026

Results beat expectations on better volumes & pricing

- **Revenue grew by 25.9%YoY driven by strong volume growth of 17%YoY due to ramp up of commissioned asset; aided by realisation growth**
- **Demand outlook is positive and expect prices to improve post monsoon. Elevated imports remain a concern on domestic pricing**
- **Raise to Buy from HOLD; considering benefit of expanded capacity and rollover to June'28E; revise TP upwards to Rs1,322 from Rs1,297**

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Revenue & EBITDA better than expectations: Revenue came at Rs154bn, (+25.9%YoY, -4.5%QoQ); 9% above our estimates. EBITDA came at Rs26bn (-11.5%YoY, -9.5%QoQ); 4% above our estimates. Better performance is due to the better-than-expected volume performance and realisation in the quarter. However, PAT was below expectations due to lower other income.

Volumes: Sales **v**olumes came at 2.23mnt, higher by 17%YoY – helped by a ramp-up in commissioned capacity. Volume growth was higher vs domestic industry consumption growth of 8%YoY. Volumes decreased 15% QoQ due to planned maintenance shutdown during the quarter. Management guided sales volumes of 10.5-11.0mnt for FY27E vs 8.7mnt for FY26; a 21-27%YoY growth.

Domestic pricing: Realisation increased 7%YoY by Rs4,719/t to Rs69,427 and higher by 7% QoQ. Spot HRC prices are around Rs58,000/t. Prices have shown moderation on Q1 exit vs Q4FY26 average due to elevated level of imports & seasonality. HRC corrected by Rs800/t vs Q1 average and TMT bars corrected to a higher extent. Management expects pricing to remain seasonally soft till monsoon period and improving thereafter, supported by healthy domestic demand. Higher coking coal cost on YoY had an impact on EBITDA and EBITDA/t for Q1. EBITDA/t came at Rs11,937, lower by 24%YoY.

Expansion project: The company commissioned 6mnt recently, taking steel capacity from 9.6mnt to 15.6mnt. Ramp up of this capacity is progressing. It incurred a capex of Rs19bn in Q1 and guided a capex of Rs85bn for FY27E.

Overall as asset ramp up, volume growth would likely be strong. Barring near term challenges on prices, the company is well positioned to manage its product mix supported by cost saving efforts which would help drive growth and deleverage.

Raise to BUY from HOLD; revise TP upwards: We raise to BUY from HOLD; considering benefit of expanded capacity and rollover to June 28E EBITDA, raise TP to Rs1,322 from Rs1,297 based on 7.5xEV/EBITDA.

Key changes

Target	Rating
▲	▲

Ticker/Price	JSP IN/Rs 1,036
Market cap	US$ 11.1bn
Free float	37%
3M ADV	US$ 15.4mn
52wk high/low	Rs 1,306/Rs 942
Promoter/FPI/DII	63%/9%/19%

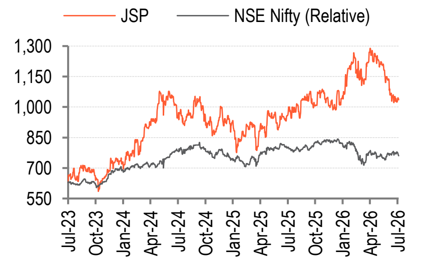
Source: NSE | Price as of 24 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	532,249	721,238	823,242
EBITDA (Rs mn)	96,595	152,997	191,911
Adj. net profit (Rs mn)	42,388	69,384	95,781
Adj. EPS (Rs)	41.7	68.2	94.1
Adj. ROAE (%)	8.6	12.8	15.4
Adj. P/E (x)	24.9	15.2	11.0
EV/EBITDA (x)	12.5	7.7	5.7
Adj. EPS growth (%)	4.3	63.7	38.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly performance

(Rs mn)	Q1FY27	Q4FY26	QoQ (%)	Q1FY26	YoY (%)
Revenue	**154,821**	**162,179**	**(4.5)**	**122,945**	**25.9**
EBITDA	**26,604**	**29,391**	**(9.5)**	**30,056**	**(11.5)**
EBITDA margin (%)	17.2	18.1	56bps	24.4	9bps
Depreciation	9,264	8,618	7.5	7,215	28.4
Interest	5,482	4,423	23.9	2,966	84.8
Other income	192	2,664	(92.8)	304	(36.9)
PBT	12,050	19,013	(36.6)	20,179	(40.3)
Tax	3,608	329	996.3	5,219	(30.9)
Reported PAT	**8,448**	**10,448**	**(19.1)**	**14,940**	**(43.5)**
Exceptional item	0	(8,168)	100.0	0	NA
Adjusted PAT	8,448	18,616	(54.6)	14,940	(43.5)
Adj. PATM (%)	5.5	11.5	49bps	12.2	90bps
Adjusted EPS (Rs)	**8.3**	**18.3**	**(54.6)**	**14.7**	**(43.5)**
Reported EPS (Rs)	**8.3**	**10.3**	**(19.1)**	**14.7**	**(43.5)**

Source: Company

Fig 2 – Q1FY27 Actual vs Estimates

Particulars	Q1 Actual	Q1FY27E	VAR(%)
Revenue (Rs mn)	154,821	142,329	8.8
EBITDA (Rs mn)	26,604	25,536	4.2
EBITDA margin (%)	17.2	17.9	(76bps)
PAT (Rs mn)	8,448	11,427	(26.1)
EPS (Rs)	8.3	11.2	(26.1)

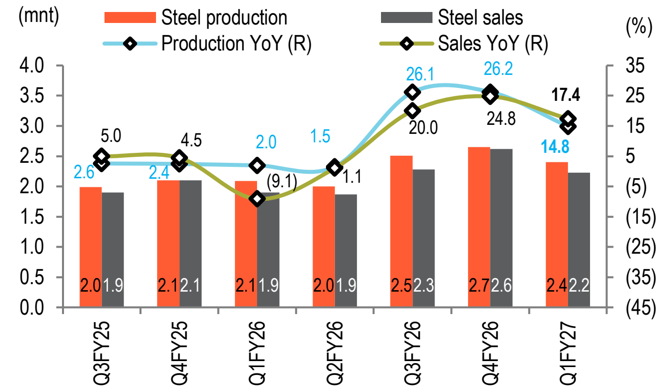
Source: Company, BOBCAPS Research

Fig 3 – Business performance

Particulars	Q1FY27	Q4FY26	QoQ (%)	Q1FY26	YoY (%)
Sales volumes (mnt)	2.23	2.62	(14.9)	1.90	17.4
Production volumes (mnt)	2.40	2.65	(9.4)	2.09	14.8
Realization (Rs/t)	69,427	61,900	12.2	64,708	7.3
Adj. EBITDA (Rs/t)	11,937	10,093	18.3	15,680	(23.9)

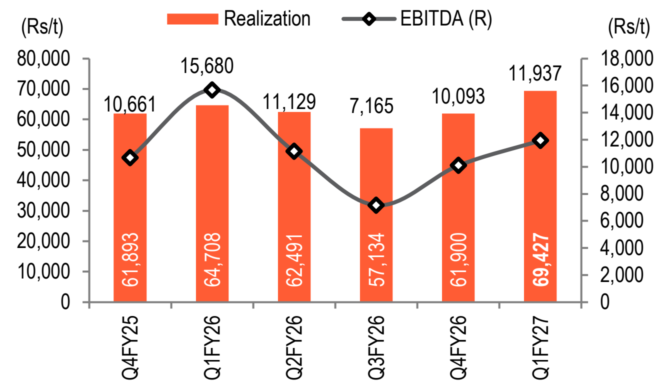
Source: Company

Fig 4 – Production and sales trend



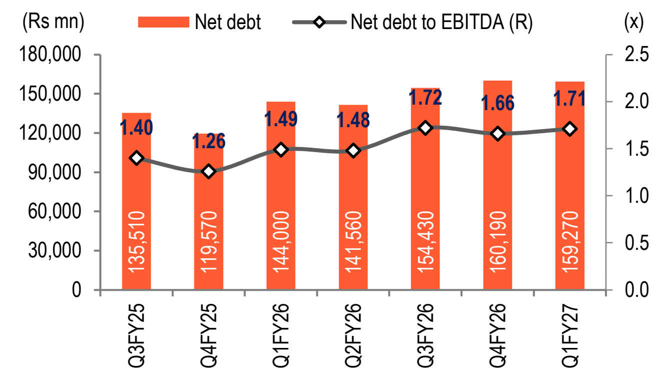
Source: Company

Fig 5 – Realisation & EBITDA trend



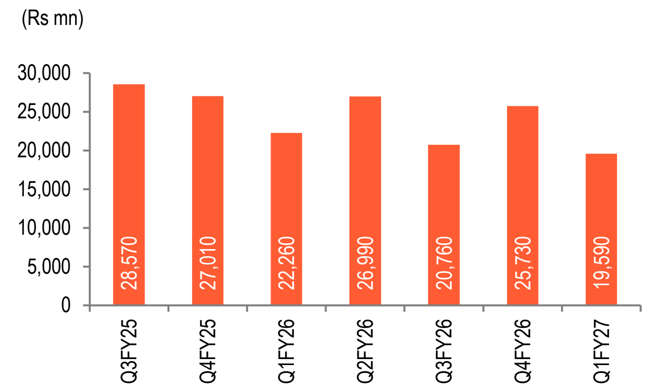
Source: Company

Fig 6 – Leverage



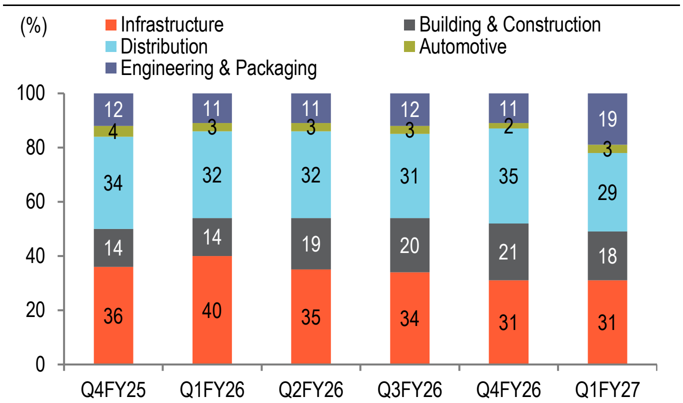
Source: Company

Fig 7 – Capex during the quarter



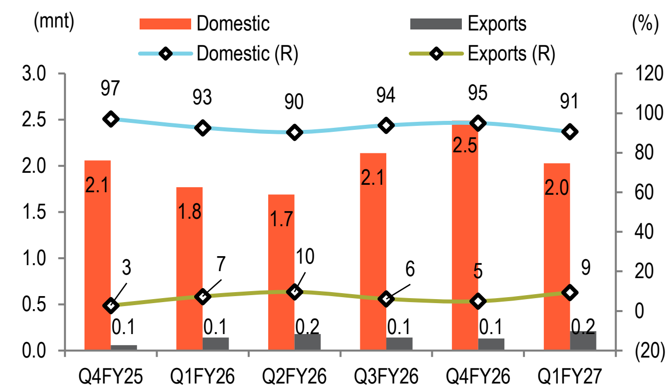
Source: Company

Fig 8 – Sectorwise sales mix



Source: Company

Fig 9 – Domestic-exports volumes mix (mnt & %)



Source: Company

Call Highlights

- **Volumes performance:** Jindal Steel's volume growth of 17% was much better vs industry growth of 8% in Q1FY27 due to ramp up of expanded capacity of 6mnt. Sales volume growth is driven by 48%YoY for Building & construction segment and 15%YoY for Automotive segment. Share of value-added share stood at 66% vs 72% in Q1FY27 and was 61% in Q4FY26. Exports share increased to 9% in Q1FY27 from 7% in Q1FY26 and 5% in Q4FY26. Management expects sales volumes of 10.5-11.0mnt for FY27E vs 8.7mnt for FY26; a 21-27%YoY growth. .
- **Industry demand/environment:** Domestic steel consumption grew by 8%YoY to 42mnt in Q1FY27. Finished steel imports increased by 49%YoY and 10%QoQ to 2.1mnt in Q1FY27.
- **Pricing:** Management commented that prices have corrected and broadly Q1 exit prices are lower than Q1 average prices. HRC corrected by Rs800/t vs Q1 average and TMT bars prices have corrected sharply by around Rs8,000/t due to monsoon-led seasonal weakness in construction demand. Management expects prices to be seasonally weak till monsoon period and thereafter should see improvement.
- **Cost guidance:** The company has iron ore and coal assets. During Q1FY27 – it started dispatches from Captive coal mine – Utkal B1. Management guided for an increase of USD12-USD15 in coking coal cost for Q2FY27.`
- **Projects:** The slurry pipeline project for transporting iron ore from Barbil to the Angul steel plant is in final stage of completion and is expected to be commissioned soon. This is likely to result in cost savings of Rs700 per tonne from Sept.2026 onwards.
- **Net debt:** Consolidated net debt reported decreased to Rs159bn on June 26 from Rs160bn on Mar.26 with benefit of debt repayments.Net D/E stood at 0.4x and Net Debt/EBITDA at 1.7x. Expects leverage to get normalized to <1.5x by Q2FY27.

Valuation Methodology

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

We revise numbers upwards primarily on volume performance:

- Volumes – We estimate volumes of 10.9mnt vs earlier10.7mnt forFY27E; estimate volumes of 12.2mnt vs earlier 12.0mnt for FY28E and volumes of 12.7mnt vs earlier 12.4mnt for FY29E
- USD-INR assumption revised to Rs97 vs earlier Rs95 for FY27E, FY28E and FY29E.

Fig 10 – Revision in estimates

(Rs mn)	Actual	New			Old			Change (%)		
	FY26A	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	532,249	721,238	823,242	873,578	711,856	813,626	855,202	1.3	1.2	2.1
EBITDA	96,595	152,997	191,911	221,514	151,956	190,077	219,748	0.7	1.0	0.8
EBITDA % margin	18.1	21.2	23.3	25.4	21.3	23.4	25.7			
PAT	33,674	69,384	95,781	118,982	68,526	95,260	118,396	1.3	0.5	0.5
EPS (Rs)	33.1	68.2	94.1	116.9	67.3	93.6	116.4	1.3	0.5	0.5

Source: Company, BOBCAPS Research

Fig 11 – Key assumptions

Particulars	FY25	FY26	FY27E	FY28E	FY29E
USD-INR	83.0	90.0	97.0	97.0	97.0
Sales volumes (mn t)	8.0	8.7	10.9	12.2	12.7
Realisation (Rs/t)	62,440	61,319	62,545	64,109	65,552
% Growth YoY					
Volumes	3.9	8.9	25.1	12.0	4.1
Realisation	(4.3)	(1.8)	2.0	2.5	2.3
EBITDA/t (Rs)	11,912	11,128	14,091	15,785	17,500

Source: Company, BOBCAPS Research

EV/EBITDA-based Valuation Rationale

We raise to BUY from HOLD; considering benefit of expanded capacity and rollover to June 28E EBITDA, raise TP to Rs1,322 from Rs1,297 based on 7.5xEV/EBITDA. Increase in TP accounts for an improved volume performance and rollover to June 28E EBITDA vs earlier Mar.28. Assigned 30% weightage to CWIP vs earlier 100% as on March 2026 on commissioning of major capex project.

Fig 12 – Valuation summary

Particular	June 28 EBITDA (Rs mn)	Multiple (x)	EV (Rs mn)	Value (Rs/share)
Jindal Steel	199,312	7.5	1,494,838	1,469
Net debt			178,963	176
CWIP			29,061	29
Target price			**1,344,937**	**1,322**

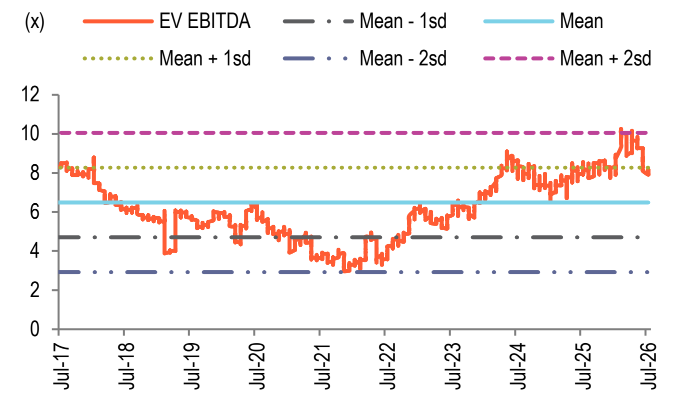
Source: , BOBCAPS Research

Key Risks

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

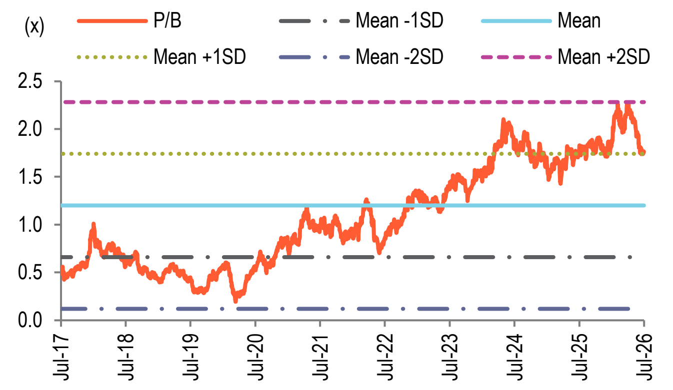
  Jindal Steel has expanded capacity by 6mnt from 9.6mnt to 15.6mnt in Mar.26. This will be steadily ramped up during FY27E, which will lead to incremental sales volumes supported by industry demand. Any delay in estimated level of ramp up would lead to lower-than-expected volumes estimated, and thereby, would likely have bearing on the growth trajectory.

Fig 13 – EV/EBITDA 1YF



Source – Bloomberg

Fig 14 – 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**	**721,238**	**823,242**	**873,578**
EBITDA	94,942	96,595	152,997	191,911	221,514
Depreciation	(27,676)	(31,715)	(44,408)	(49,535)	(52,636)
EBIT	68,942	68,163	111,619	145,467	172,031
Net interest inc./(exp.)	(13,121)	(15,166)	(15,252)	(12,438)	(6,778)
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	96,367	133,029	165,252
Income taxes	(14,979)	(10,523)	(26,983)	(37,248)	(46,271)
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**	**69,384**	**95,781**	**118,982**
Adjustments	12,295	8,714	0	0	0
Adjusted net profit	**40,416**	**42,388**	**69,384**	**95,781**	**118,982**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	57,125	87,777	118,945	135,767	144,068
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	210,379	170,379	90,379
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	575,066	668,304	784,487
Shareholders' fund	474,193	518,410	585,504	678,742	794,925
Total liab. and equities	**858,394**	**977,618**	**1,065,880**	**1,135,939**	**1,180,424**
Cash and cash eq.	41,801	41,416	49,460	60,365	64,674
Accounts receivables	13,629	17,290	23,429	26,743	29,575
Inventories	56,102	80,228	108,715	124,090	134,071
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	711,387	738,751
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**	**1,065,880**	**1,135,939**	**1,180,424**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**109,296**	**67,511**	**125,586**	**155,887**	**173,885**
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	(10,000)	(40,000)	(80,000)
Interest expenses	(13,121)	(15,166)	(15,252)	(12,438)	(6,778)
Dividends paid	2,024	2,035	2,289	2,544	2,798
Other financing cash flows	(3,676)	6,117	(4,579)	(5,087)	(5,596)
Cash flow from financing	**4,692**	**34,951**	**(27,542)**	**(54,981)**	**(89,577)**
Chg in cash & cash eq.	**1,559**	**(384)**	**8,044**	**10,905**	**4,309**
Closing cash & cash eq.	**41,800**	**41,416**	**49,460**	**60,365**	**64,674**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	27.8	33.1	68.2	94.1	116.9
Adjusted EPS	39.9	41.7	68.2	94.1	116.9
Dividend per share	2.0	2.0	2.3	2.5	2.8
Book value per share	466.3	500.2	566.2	657.8	772.0

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.4	2.3	1.6	1.3	1.2
EV/EBITDA	12.6	12.5	7.7	5.7	4.8
Adjusted P/E	25.9	24.9	15.2	11.0	8.9
P/BV	2.2	2.1	1.8	1.6	1.3

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	17.7	19.7
Asset turnover (Rev./Avg TA)	0.6	0.6	0.7	0.7	0.8
Leverage (Avg TA/Avg Equity)	1.8	1.9	1.9	1.8	1.6
Adjusted ROAE	8.8	8.6	12.8	15.4	16.4

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	(0.5)	7.0	35.5	14.1	6.1
EBITDA	(6.9)	1.7	58.4	25.4	15.4
Adjusted EPS	(32.6)	4.3	63.7	38.0	24.2
Profitability & Return ratios (%)					
EBITDA margin	19.1	18.1	21.2	23.3	25.4
EBIT margin	13.9	12.8	15.5	17.7	19.7
Adjusted profit margin	8.1	8.0	9.6	11.6	13.6
Adjusted ROAE	8.8	8.6	12.8	15.4	16.4
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	76	78	81
Ratios (x)					
Gross asset turnover	0.6	0.6	0.7	0.7	0.8
Current ratio	1.1	1.3	1.3	1.3	1.3
Net interest coverage ratio	5.3	4.5	7.3	11.7	25.4
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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BUY – Expected return >+15%

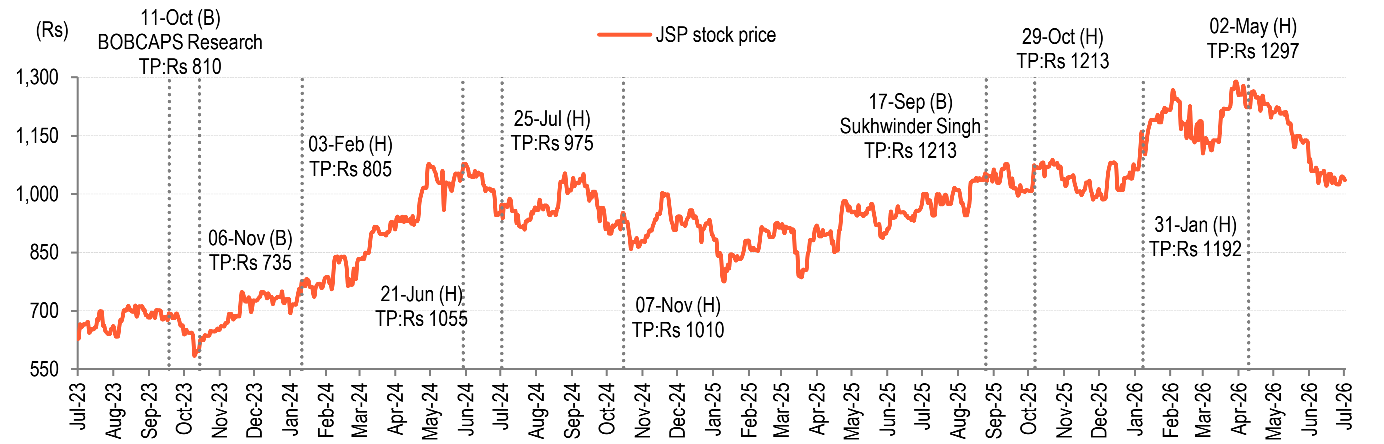
HOLD – Expected return from -6% to +15%

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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