


STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Metal & Mining

COMPANY DETAILS

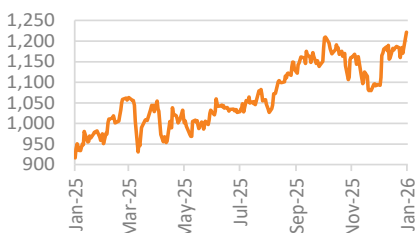
Market cap:	Rs. 294,901 cr
52-week high/low:	Rs. 1230/901
NSE volume: (No of shares)	16.5 lakh
BSE code:	500228
NSE code:	JSWSTEEL
Free float: (No of shares)	133.5 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	45.32
FII	26.79
DII	11.05
Others	16.84

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART


Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	11.7	3.2	16.6	33.4
Relative to Sensex	15.4	6.5	15.7	25.5

Source: Mirae Asset Sharekhan Research, Bloomberg

 Reco/View: **BUY**

 CMP: **Rs. 1,220**

 Price Target: **Rs. 1,360**
Quick Snapshot

- Consolidated revenue from operations stood at Rs. 45,991 crore in Q3FY26, up 11% y-o-y and 2% q-o-q, driven by higher volumes of 14% yoy partly offset by a lower NSR.
- Adjusted EBITDA at Rs. 6620 crore, rose ~20% y-o-y but declined 16% q-o-q. Adj. EBITDA margin came at 14.1% representing an improvement of 615 bps.
- Consolidated PAT stood at Rs. 2,410 crore amid higher sales numbers accompanied by recognition of deferred tax assets of Rs. 1439 crore from the BPSL slump sale.
- At CMP, JSTL trades at current valuation of 9.1x/8.2x for FY27E/FY28E EV/EBITDA. We upgrade our rating to BUY with a PT of Rs. 1360, backed by strategic expansion plans, better realisations on higher steel prices and emphasis on higher value-added products.

Result overview

- Strategic Expansions:** JV with Japan's JFE Steel Corp for the Bhushan Power and Steel (BPSL) business for high quality of steel products, deleveraging of ~Rs. 37,000 crore. Approval of greenfield capacity expansion plant of 5 MT at Jagatsinghpur, Odisha with a capex of ~Rs. 31600 crore and targeted to commission by FY30, which is projected to go up to 13.2 MTPA. Thus Company targets 50MT capacity in India by FY31 (ex-BPSL), accelerating via Odisha greenfield, brownfield projects, and value-added expansions to capture 7-9% FY27 demand growth.
- Consolidated crude steel production grew 6% y-o-y to 7.48MT in Q3, driven by the ramp-up of the JVML-Vijayanagar project, but declined 5% q-o-q due to the BF3 upgrade shutdown at Vijayanagar from September 2025-end for upgradation capacity, and is expected to resume by Q4-end.
- Domestic sales stood at 6.59 MT, up 10% y-o-y and up 4% q-o-q while exports surged by 53% y-o-y, contributing 11% sales from the Indian operations for Q3FY26.
- Highest-ever quarterly sales of 7.64 MT, up 14% y-o-y and 4% q-o-q due to healthy domestic demand for steel products.
- The 12% safeguard duty on steel imports came in December 2025 is going to play a key role supporting domestic price recovery as domestic steel prices rose by approximately ₹3,500 per tonne from multi-year lows by early January 2026.
- Formation of a joint venture company with Peddar Realty for a land development project in Mumbai, worth of investment of Rs. 51 crore.

Our Call

Overall steel demand is projected to grow 7-9% for FY27 lead by infrastructure, construction, industrial, renewables, automotive, and consumer durables. Latest key strategic deals with JFE and JVML will ramp up production capacity, reduce debt burden and enhance long term growth prospects. Moreover, strong recovery in domestic HRC prices in the last month suggests a sharp margin recovery in near term. At CMP, JSTL trades at current valuation of 9.1x/8.2x for FY27E/FY28E EV/EBITDA. We upgrade our BUY rating with a PT of Rs. 1360, backed by strategic expansion plans, better realisations on higher steel prices and emphasis on higher value-added products.

Key Risks

Changes in government regulatory policies, quality control norms, labour laws.

Valuation

	Rs cr				
Particulars	FY24	FY25E	FY26E	FY27E	FY28E
Revenue	1,75,006	1,75,260	1,91,471	2,14,329	2,40,730
Operating profit	28,236	27,889	34,014	39,244	42,919
OPM (%)	16.1	15.9	17.8	18.3	17.8
Adjusted PAT	8,812	8,132	12,960	16,831	19,550
Adjusted EPS (Rs.)	36.1	33.3	53.1	69.0	80.1
P/E (x)	33.7	36.5	22.9	17.7	15.2
P/BV (x)	3.8	3.5	3.1	2.7	2.3
EV/EBITDA (x)	13.1	13.1	10.6	9.1	8.2
ROE (%)	11.4	9.6	13.5	15.0	14.9
RoCE (%)	12.1	10.8	12.4	13.7	13.8

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Jan 27, 2026

Q3FY26 conference call highlights:

- **Capex plans:** Management outlined that company is expected to spend Rs. 15,000–16,000 crore for entire FY26, with Rs. 10000 crore already invested for 9 months and ₹100,000 crore planned over next 4-5 years.
- **Guidance:** Capex recovery, rural momentum, and policy support like anti-dumping duties on HRC (Vietnam) and CRNO (China), plus safeguards; Q4 volumes expected strong on seasonal demand/restocking, prices saw cumulative recovery of Rs. 3,500/tonne since December (further upside), coking coal prices are up 15-20%.
- **Capacity expansions:** JSW Steel's aggressive capacity expansion strategy aims to capturing India's structural steel demand, underpinned by the government's infrastructure-led growth, with management targeting 300 MT crude steel capacity and per-capita consumption of 160 kg by FY31.
- Indian operations delivered a production volume of 7.28 MT, up 7% y-o-y. Production was down sequentially due to the Blast Furnace-3 at Vijayanagar being under shutdown for the capacity enhancement. Utilisation of our Indian operations stood approximately at 93%, excluding the BF-3.
- JSW Steel announced a joint venture with JFE Steel, Japan for its BPSL steel business at an equity value of Rs. 31,500 crore and enterprise value of Rs. 53,000 crore, expected to generate Rs. 32,000 crore in cash inflow and deleverage net debt by Rs. 37,000 crore upon completion by March 2026, enabling accelerated growth through JFE's technological expertise in value-added products.
- The board approved a 5 MTPA greenfield project in Odisha (capex Rs. 31600 crore commissioning FY30), potential expansion on to 13.2 MTPA with ort-based facility leverages existing pellet plants, a 30MT slurry pipeline, and captive jetty for low logistics costs.
- Brownfield extensions are on schedule (Vijayanagar ramp-up, BF-3 upgrade by Q4FY26, Dolvi expansion by September 2027).
- Board approved 2.5 GW of renewable energy, and 320 MWh of battery storage have been approved to facilitate the energy transition.
- Value-added products sales peaked at 4.54MT (up 16% y-o-y), with record deliveries to auto and renewables; FY26 guidance reaffirmed at 30.5 MT production and 29.2MT sales (74% achieved in 9M).
- **Raw material security advances:** 13/23 iron ore mine operational (target 50 MTPA by FY31, ~50% needs); coking coal from 3 Indian mines, Illawarra (Australia) stake, and the upcoming Mozambique acquisition.

Capacity Expansion Summary

Project	Capacity Addition	Commissioning	CapEx (₹ crore)
JFE BPSL JV	NA	Mar-26	37000
Odisha Greenfield Steel Plant (Jagatsinghpur)	5MTPA (Phase 1); expandable to 13.2MTPA	FY30	31,600
Vijayanagar BF-3 Upgrade	1.5MT	End of Q4 FY26	Included in FY26 total
Brownfield expansions Dolvi Phase-III	5MT (to 15MT total)	Sep-27	Part of ₹100,000 crore 4-5yr plan
Brownfield expansion JVML-Vijayanagar	5MT (fully ramped)	Achieved Q3 FY26	Ongoing
Kadapa EAF/Structural Mill	1MT	Discussions underway	Part of VAP expansions
Brownfield expansions: Rajpura Downstream (Tinplate, GI/GL)	0.56MT	Steady progress	~4MT total VAP addition

Source: Company; Mirae Asset Sharekhan Research

Results (Consolidated)

					Rs cr
Particulars	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Revenue	45991	41378	11.1	45152	1.9
Total Expenditure	39495	35799	10.3	38037	3.8
Operating Profit	6496	5579	16.4	38037	-82.9
Other Income	273	147	85.7	284	-3.9
Interest	2304	2115	8.9	2413	-4.5
Depreciation	2362	2336	1.1	2554	-7.5
Share of Associate/JV	-117	6	NA	-88	32.95
EO	-529	-103	413.6	0	NA
Reported PBO	1457	1178	23.7	2344	-37.8
Tax	-953	459	-307.6	698	-236.5
PAT	2410	719	235.2	1646	46.4
Minority Interest	271	2	13450.0	23	1078.3
Adj. PAT	2139	717	198.3	1623	31.8
Adj. EPS	7.81	2.93	166.6	6.64	17.6
Margin			BPS		BPS
OPM (%)	14.1%	7.95%	615.0	16%	-200.0
NPM(%)	5%	1.93%	307.00	4%	100.0
Tax Rate	-65%	39%	NA	30%	NA

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	JFE Steel International Europe BV	15.00
2	JSW Techno Projects	10.82
3	JSW Holding Ltd	7.42
4	Vividh Finvest	5.86
5	Sahyog Holdings Pvt Ltd	4.58
6	Siddeshwari Tradex Pvt Ltd	3.46
7	Jtpm Metal Trade ₹ Rs. Pvt Ltd	3.40
8	JSW Energy Ltd	2.86
9	Virtuous Tradecorp Pvt Ltd.	2.47
10	Gangadeep Credit Capital	2.03

Source: Bloomberg

Key management personnel

Name	Designation
Sajjan Jindal	Chairman & MD
Jayant Acharya	JMD & CEO
Swayam Saurabh	CFO & ED

Source: Company Website

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