

23 January 2026

India | Equity Research | Results update

Jindal Stainless

Metals & Mining

In-line performance; we await clarity on upcoming growth plans

Jindal Stainless (JSL)'s Q3FY26 EBITDA was in line with our estimate at INR 14.1bn (+17%/+1% YoY/QoQ), driven by better sales volume at 650Kte (+11%/+0% YoY/QoQ). JSL continues to hit the upper end of the EBITDA/te guidance, reporting INR 21,665/te (highest in past seven quarters), despite negligible exports. It has maintained its 9–10% volume growth guidance with INR 21,000/te EBITDA for FY26. Indonesian Nickle project is EBITDA positive, while various capex projects (Indonesia slab, domestic HRAP/CRAP mill) are on track. The company expects the Maharashtra mega project capex to start from FY27–28, and until then, net debt is expected to shrink further. We maintain **BUY** on the stock with target price unchanged at INR 860 (based on 18x FY28E EPS).

Stable performance in challenging times

JSL's Q3FY26 consol. performance was largely stable sequentially, despite further reduction in exports (dropped to 5% vs. 9% QoQ due to CBAM implementation in Europe). Standalone business with EBITDA at INR 11bn (+10%/+4% YoY/QoQ) performed better sequentially compensating for the marginal underperformance of JUSL (subsidiary) which was impacted by maintenance shutdown (EBITDA of INR 1.9bn vs INR 2.05bn QoQ). Key points: 1) Sales volume, at 650Kte, registered 11% YoY and flat QoQ growth as company pushed more sales in domestic market. 2) Chromeni reached capacity utilisation of ~75% vs. 70% sequentially; 3) Rathi stood at ~85% utilisation vs. 75% QoQ. 4) JSL managed to pare net debt by INR 2bn sequentially to INR 34.5bn. We expect Q4 to be stable and the company may continue to achieve the upper end of EBITDA/te guidance.

Guidance intact; we await clarity on long-term projects

JSL's management has kept the guidance intact with annual EBITDA/t now estimated at INR 21,500. Most of the capex projects are running as per schedule. However, the company refrained from giving any FY27 guidance. Given JSL will be reaching its peak capacity utilisation in FY27 while downstream may commission by FY27-end only, at present growth visibility post FY28 remains a bit cloudy. We are awaiting details of upcoming Maharashtra greenfield project as quicker execution could be key for next phase of growth. Net debt position could improve in FY27.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	3,93,122	4,42,596	4,91,556	5,11,198
EBITDA	46,666	55,619	62,171	66,599
EBITDA Margin (%)	11.9	12.6	12.6	13.0
Net Profit	25,122	32,021	37,398	39,449
EPS (INR)	30.5	38.9	45.4	47.9
EPS % Chg YoY	0.3	27.1	16.6	5.5
P/E (x)	24.4	19.2	16.5	15.6
EV/EBITDA (x)	11.1	11.3	9.9	9.0
RoCE (%)	14.2	14.8	14.9	14.0
RoE (%)	17.5	18.9	18.9	17.0

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Market Data

Market Cap (INR)	624bn
Market Cap (USD)	6,812mn
Bloomberg Code	JDSL IN
Reuters Code	JIST.BO
52-week Range (INR)	884 /497
Free Float (%)	39.0
ADTV-3M (mn) (USD)	5.9

Price Performance (%)	3m	6m	12m
Absolute	(5.1)	9.9	19.5
Relative to Sensex	(2.6)	9.7	11.8

ESG Score	2024	2025	Change
ESG score	63.7	68.3	4.6
Environment	46.5	56.7	10.2
Social	67.8	77.6	9.8
Governance	77.1	73.5	(3.6)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

12-11-2025: [Q2FY26 results review](#)

08-08-2025: [Re-initiating Coverage](#)

Outlook: Near-term performance to be stable despite challenges

The past 12–15 months have been tough for JSL, as it battled falling exports, inventory losses due to nickel downturn and the struggle in domestic market driven by cheap Chinese imports. However, despite the same, it has managed to grow its domestic volumes at above-industry rate and that too at a higher end of the guidance which we believe showcases the good business model. Despite persistent challenges, cheap Chinese imports, tariff and CBAM, we believe that the worst is over for JSL and the company may see stable growth and margins going forward. Increase in nickel prices and INR depreciation may allow price hike and some margin improvement going forward. Strong cashflow could help JSL reduce its net debt further by FY27, before the company embarks on its Maharashtra capex.

We have kept target price and multiple intact. Maintain **BUY** with TP of INR 860 (based on 18x FY28E EPS).

Key risks

- Increased imports from China /FTA countries (Indonesia adding capacities).
- Further deterioration in exports demand due to tariff war.

Q3FY26 conference call takeaways

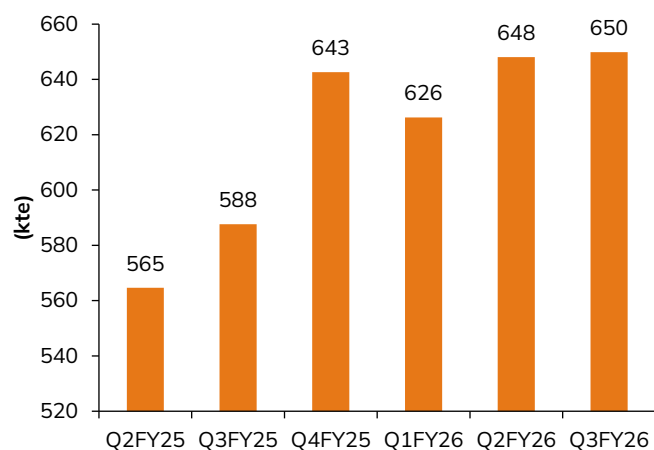
- **Guidance** – the company maintains volume growth guidance of 9-10% for FY26. Considering 9M performance, EBITDA/te guidance is expected to be +INR 21,000.
- **The company will share FY27 guidance and long-term growth plans in Q4 concall.**
- **Capex** – FY26 capex maintained at INR 27bn, 9MFY26 capex stands at INR 22bn. Most of the projects are progressing as per guided schedule. Maintenance capex stands at INR 5bn annually for all plants.
- **SS series mix:** During Q3FY26 - 200 / 300 / 400 series mix stood at– 38%/ 45%/ 17%. For 9M, it stood at 36% / 47% / 17%.
- Exports for Q3FY26 stood at 5%, down from 9% QoQ due to challenging geopolitical landscape and CBAM in Europe.
- The current utilisation for Chromeni and Rathi is at ~75% and ~85%, respectively.
- Indonesia slab capacity expansion is expected to commission in H1FY27. India downstream capacity is expected to complete by Q4FY27.
- JSL expects some duty protection from the government going forward. The finding for anti-dumping duty is expected to come in H1CY26.
- The company books nickel bearing raw material on back-to-back basis, and thus, higher nickel prices will not have any negative impact on its performance.
- NIP project is profitable at EBITDA level and is earning USD 900/te of nickle equivalent.

Exhibit 1: Jindal Stainless Q3FY26 performance review

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
Net Sales	105,176	99,073	6.2	108,928	(3.4)	316,175	291,139	8.6
EBITDA	14,079	12,075	16.6	13,879	1.4	41,056	36,058	13.9
EBITDA Margin (%)	13.4	12.2		12.7		13.0	12.4	
Other Income	1,022	991	3.1	897	14.0	2,608	1,969	32.4
Interest	1,342	1,605		1,408	(4.7)	4,191	4,618	
Depreciation	2,689	2,416	11.3	2,619	2.7	7,826	7,149	9.5
PBT	11,071	9,045	22.4	10,748	3.0	31,646	26,259	20.5
Tax	2,545	2,357	8.0	2,705	(5.9)	7,794	7,005	11.3
AdjPAT	8,288	6,827	21.4	8,069	2.7	23,499	19,368	21.3
PAT Margin (%)	7.9	6.9		7.4		7.4	6.7	
EPS (INR)	10.1	8.3	21.4	9.8	2.7	28.5	23.5	21.3

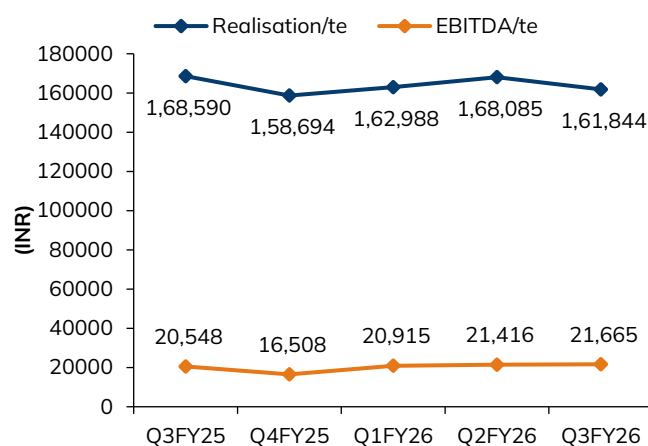
Source: I-Sec research, Company data

Exhibit 2: Volumes



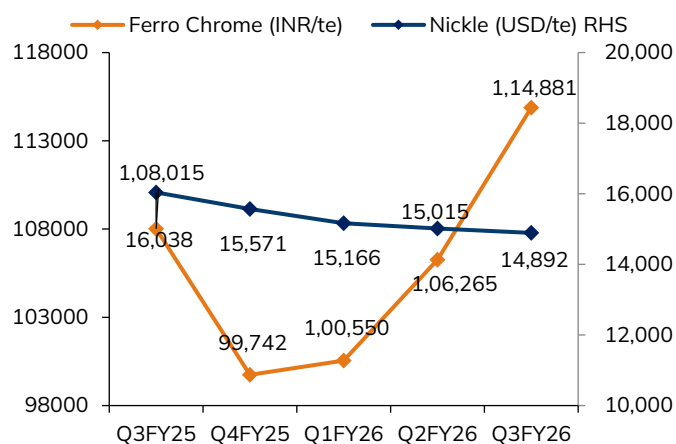
Source: Company data, I-Sec research

Exhibit 3: Realisation and EBITDA/te



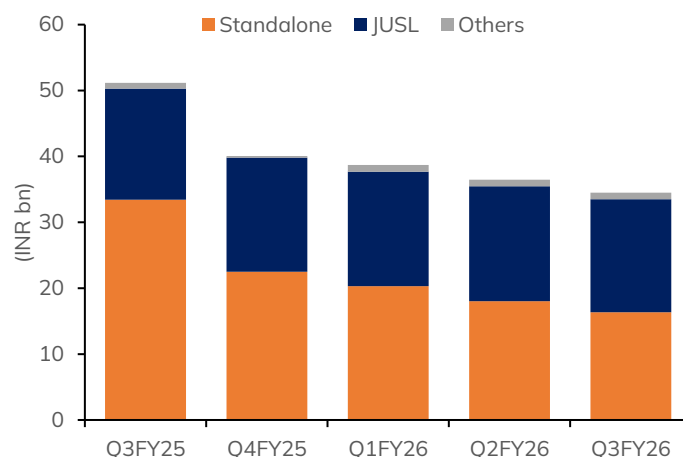
Source: Company data, I-Sec research

Exhibit 4: Ferro chrome and nickel prices



Source: I-Sec research, Company data

Exhibit 5: Net debt



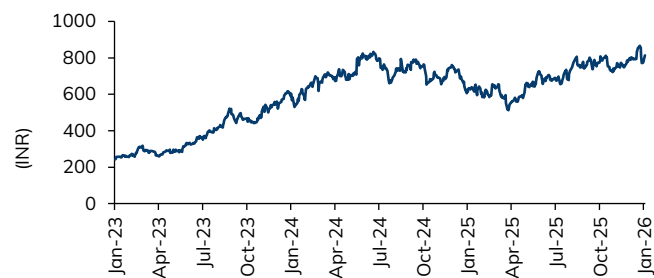
Source: I-Sec research, Company data

Exhibit 6: Shareholding pattern

%	Jun'25	Sep'25	Dec'25
Promoters	61.1	61.2	61.2
Institutional investors	28.3	28.5	28.7
MFs and others	3.0	2.9	3.1
Insurance Cos	2.5	2.6	2.7
FII's	22.8	23.0	22.9
Others	10.6	10.3	10.1

Source: Bloomberg, I-Sec research

Exhibit 7: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 8: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	3,93,122	4,42,596	4,91,556	5,11,198
Operating Expenses	77,799	84,654	91,176	94,593
EBITDA	46,666	55,619	62,171	66,599
EBITDA Margin (%)	11.9	12.6	12.6	13.0
Depreciation & Amortization	9,561	10,517	11,569	13,304
EBIT	37,105	45,102	50,602	53,295
Interest expenditure	-	-	-	-
Other Non-operating Income	2,909	3,490	3,525	3,560
Recurring PBT	33,897	43,087	50,274	53,194
Profit / (Loss) from Associates	(437)	(459)	(482)	(506)
Less: Taxes	8,392	10,667	12,460	13,311
PAT	25,505	32,420	37,814	39,883
Less: Minority Interest	54	60	66	72
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	25,068	31,961	37,332	39,377
Net Income (Adjusted)	25,122	32,021	37,398	39,449

Source Company data, I-Sec research

Exhibit 9: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	1,67,739	1,76,586	1,98,809	2,10,293
of which cash & cash eqv.	22,699	25,160	31,149	43,122
Total Current Liabilities & Provisions	1,12,648	1,14,832	1,22,823	1,24,936
Net Current Assets	55,091	61,755	75,986	85,357
Investments	16,563	19,063	21,563	24,063
Net Fixed Assets	1,24,332	1,26,206	1,36,829	1,47,817
ROU Assets	-	-	-	-
Capital Work-in-Progress	17,703	31,703	34,703	44,703
Total Intangible Assets	23,697	23,034	22,437	21,900
Other assets	4,403	4,403	4,403	4,403
Deferred Tax Assets	2,647	2,647	2,647	2,647
Total Assets	2,48,932	2,73,308	3,03,066	3,35,387
Liabilities				
Borrowings	62,977	57,977	52,977	47,977
Deferred Tax Liability	13,003	13,263	13,529	13,799
provisions	706	706	706	706
other Liabilities	5,163	5,163	5,163	5,163
Equity Share Capital	1,647	1,647	1,647	1,647
Reserves & Surplus	1,65,232	1,94,337	2,28,819	2,65,859
Total Net Worth	1,66,879	1,95,985	2,30,467	2,67,506
Minority Interest	203	213	223	235
Total Liabilities	2,48,932	2,73,308	3,03,066	3,35,387

Source Company data, I-Sec research

Exhibit 10: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	44,841	44,500	45,258	59,721
Working Capital Changes	3,192	(4,202)	(8,243)	2,603
Capital Commitments	(22,636)	(25,729)	(24,595)	(33,755)
Free Cashflow	22,206	18,771	20,663	25,966
Other investing cashflow	(5,357)	(2,500)	(2,500)	(2,500)
Cashflow from Investing Activities	(27,992)	(28,229)	(27,095)	(36,255)
Issue of Share Capital	(7,808)	70	76	589
Interest Cost	(6,116)	(5,505)	(3,853)	(3,661)
Inc (Dec) in Borrowings	3,246	(5,000)	(5,000)	(5,000)
Dividend paid	(2,916)	(2,916)	(2,916)	(2,916)
Others	(437)	(459)	(482)	(506)
Cash flow from Financing Activities	(14,031)	(13,809)	(12,174)	(11,493)
Chg. in Cash & Bank balance	2,818	2,461	5,989	11,973
Closing cash & balance	22,699	25,160	31,149	43,122

Source Company data, I-Sec research

Exhibit 11: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	31.0	39.4	45.9	48.4
Adjusted EPS (Diluted)	30.5	38.9	45.4	47.9
Cash EPS	42.1	51.6	59.5	64.0
Dividend per share (DPS)	3.0	3.0	3.0	3.0
Book Value per share (BV)	202.6	237.9	279.8	324.8
Dividend Payout (%)	9.7	7.6	6.5	6.2
Growth (%)				
Net Sales	1.9	12.6	11.1	4.0
EBITDA	(0.8)	19.2	11.8	7.1
EPS (INR)	0.3	27.1	16.6	5.5
Valuation Ratios (x)				
P/E	24.4	19.2	16.5	15.6
P/CEPS	18.0	14.7	12.7	11.8
P/BV	3.7	3.2	2.7	2.3
EV / EBITDA	11.1	11.3	9.9	9.0
P / Sales	1.6	1.4	1.3	1.2
Dividend Yield (%)	0.0	0.0	0.0	0.0
Operating Ratios				
Gross Profit Margins (%)	31.7	31.7	31.2	31.5
EBITDA Margins (%)	11.9	12.6	12.6	13.0
Effective Tax Rate (%)	24.8	24.8	24.8	25.0
Net Profit Margins (%)	6.5	7.3	7.7	7.8
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	0.1	0.1	0.0	(0.1)
Net Debt / EBITDA (x)	0.5	0.2	0.0	(0.3)
Profitability Ratios				
RoCE (%)	14.2	14.8	14.9	14.0
RoE (%)	17.5	18.9	18.9	17.0
RoC (%)	16.7	17.8	18.1	17.4
Fixed Asset Turnover (x)	-	-	-	-
Inventory Turnover Days	94	92	94	85
Receivables Days	30	31	32	31
Payables Days	88	87	89	85

Source Company data, I-Sec research

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