JSW Infrastructure | BUY

Proxy on Indian steel demand and coastal coal

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JSWI is a play on growing India steel production sans the commodity price risk. It is supported by coastal coal and liquids as well. The strategy to leverage on the Group (JSW Steel) for base volume and then build on it with third party cargo, leading to a strong RoCE profile. JSWI is also focused on addressing Group logistics needs and transforming into an integrated logistics play. We maintain BUY with a TP of INR 395. Our TP implies 17.6x FY28 EV/EBITDA.

- **JSWI is a play on steel and coastal coal while its larger peer ADSEZ is a play on container and EXIM coal:** JSWI is a play on JSTL's steel capacity expansion to 51mnt+ by FY31 (vs. 35.7mnt in 1QFY26) through raw material logistics and also on coastal coal movement (estimate ~95mnt in national volume in FY30E vs. 56mnt in FY24) via its presence in both origin (Paradip) and destination ports (Ennore, Tuticorin, etc.). The overlap with peer ADSEZ is low with ADSEZ's focus on containers and EXIM coal.

- **Group provides the base cargo, coastal coal and liquids provide third party cargo:** Group cargo growth is generally stable and is generally linked to steel capacity expansion at JSTL or setting up of greenfield ports by JSWI (Jatadhar and Keni). With ports being set up, it diverts existing JSTL volumes from non-JSW ports providing a step jump in volumes. Similarly each wave of capacity expansion at JSTL also provides a step-up in Group cargo (e.g. commissioning of the pellet plant in Odisha should lead to Group volume step-up in FY28). Liquids and coastal coal are third-party in nature and can witness continued ramp-up over FY26-27E. Growth in coastal coal movement is driven by efforts by Coal India to displace imported thermal coal.

- **Expansion into logistics provides similar growth dynamics:** JSWI is targeting to increase its wallet share in Group logistics (currently at 20-25%) on top of existing third party volume following the Navkar acquisition. The strategy focuses on the Group providing anchor volume on one leg, complemented by third party cargo on the return leg (lowering empty running). Logistics EBITDA margin stands at 13% (1QFY26), and with rising scale from the Group, EBITDA margin of 18%-20% can be achieved by FY30E.

- **Strong balance sheet highlights significant growth potential beyond the INR 390bn capex pipeline:** JSWI at FY25 is almost net cash against target of 2.5x Net debt to EBITDA. While the management has put forth a capex plan of INR 300bn for ports (FY25-30) and INR 90bn for logistics, we calculate there is further bandwidth for INR 40bn/year of additional growth capex from FY28E. We **estimate EBITDA can rise from INR 21bn in FY25 to INR 80bn-90bn by FY30 at target RoCE level of 16%**.

- **DCF-based TP of INR 395, implying exit EV/EBITDA (FY30) at 13.5x:** JSWI is optically expensive at 20+ FY27 EV/EBITDA as this does not factor in the step up in EBITDA from FY28E to FY30E. Our TP implies an exit EV/EBITDA of 13.5x at FY30E discounted back to 1HFY27. This is without factoring in potential for further growth capex in the event of QIP-driven promoter stake dilution to 75% (from 83.6% currently).

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	395
Upside/(Downside)	16.7%
Previous Price Target	385
Change	2.6%

Key Data – JSWINFRA IN	
Current Market Price	INR339
Market cap (bn)	INR711.2/US$8.1
Free Float	14%
Shares in issue (mn)	2,051.5
Diluted share (mn)	2,051.5
3-mon avg daily val (mn)	INR601.1/US$6.8
52-week range	355/218
Sensex/Nifty	82,160/25,202
INR/US$	88.3

Price Performance			
%	1M	6M	12M
Absolute	11.0	8.3	0.7
Relative*	9.8	1.3	4.1

* To the BSE Sensex

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	37,629	44,761	53,187	78,978	1,18,629
Sales Growth (%)	17.8	19.0	18.8	48.5	50.2
EBITDA	19,646	22,622	26,733	33,149	49,462
EBITDA Margin (%)	52.2	50.5	50.3	42.0	41.7
Adjusted Net Profit	11,563	15,031	16,072	15,890	27,284
Diluted EPS (INR)	5.6	7.3	7.8	7.7	13.3
Diluted EPS Growth (%)	40.4	30.0	6.9	-1.1	71.7
ROIC (%)	16.5	13.9	10.9	8.9	11.9
ROE (%)	19.2	17.0	15.3	13.1	19.1
P/E (x)	60.1	46.3	43.3	43.8	25.5
P/B (x)	8.7	7.2	6.2	5.4	4.5
EV/EBITDA (x)	35.7	32.1	28.5	24.4	16.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 22/Sep/2025

Proxy on Indian steel demand without the price risk

Volumes to witness a step jump from FY28 onwards driven by JSW Group

JSW Infrastructure (JSWINFRA) is part of the Indian conglomerate JSW Group. The company provides in-house port logistics services to group companies, including the flagship company JSW Steel (JSTL IN), which has ambitious plans for capacity expansion. JSW Steel plans to take its Indian steelmaking capacity to 50.0mtpa by FY31E, from 34.2mtpa currently (as of 1QFY26). This should lead to a substantial increase in raw material demand (coking, non-coking coal, and iron ore), in our view, which, in turn, will provide sizeable in-house logistics opportunities for JSWINFRA. Further, beyond FY31E we see potential for steel capacity to be at 70mnt+ by FY35E.

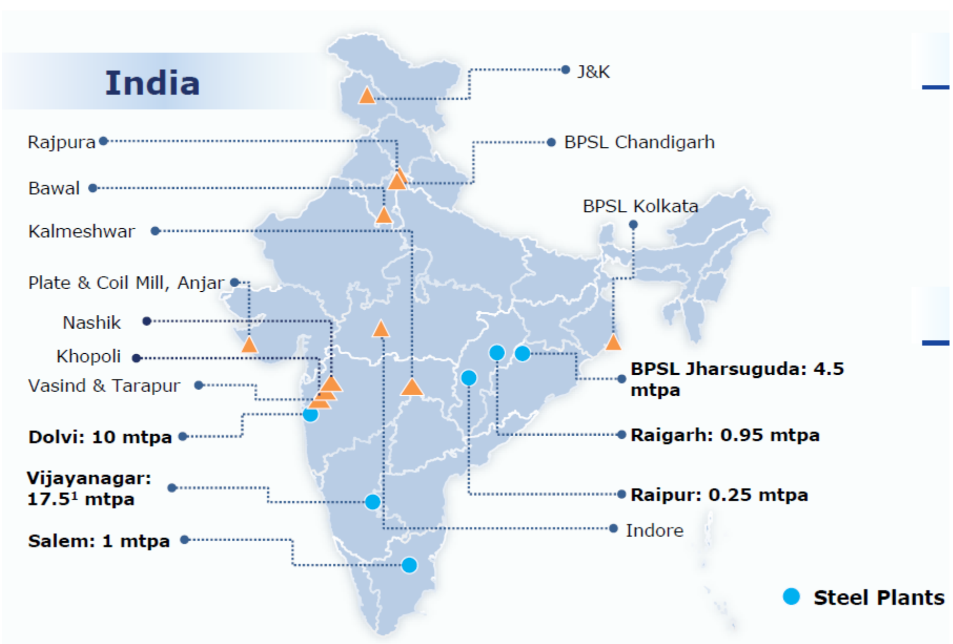
We expect monthly demand for Indian steel to remain above 12mnt-13mnt which and continue to grow in-line with domestic steel demand. This could further accelerate, as the recently launched real estate projects mature. We also note that the current capacity utilisation at steel plants (86%) are relatively high, which, in turn, supports the need for capacity expansion. **We do not expect significant risk to JSTL's capex plans as its leverage thresholds are below management targets** (net debt to equity at 0.94x and net debt-EBITDA at 3.34x, below targets of 1.75x and 3.75x respectively).

Exhibit 1. JSW Steel potential capacity evolution based on management guidance

mnt	FY25	FY26	FY27	FY31	FY35
Total Indian Capacity	34.2	36.4	41.9	50.0	71.9
Additions		2.2	5.5	8.1	21.9
Vijayanagar		2.0		5.0	
Salem		0.2			
Bhushan Power and Steel Ltd (BPSL)			0.5	3.0	
Green steel				4.0	
Dolvi			5.0	5.0	
Jatadhar					13.0

Source: Company, JM Financial. **FY31 capacities to be derived from options listed below, **FY35 assumes all capacities in place

Exhibit 2. JSTL's diversified presence provides port-based and inland logistics opportunities



Source: Company

Exhibit 3. JSWI's port and cargo profile

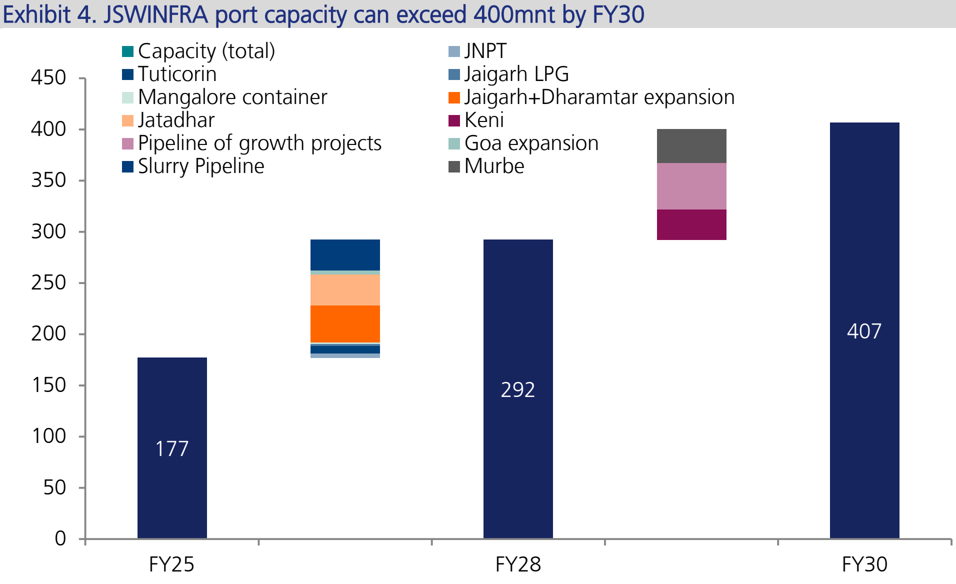
Ports	Draft (m)	Cargo capacity (mtpa)	Group cargo (%)	Notes
Dharamtar (Raigad Maharashtra) - Amba river	3.5	34	100	Serves Dolvi steel plant
Jaigarh (Ratnagiri Maharashtra)	17.5	55	70	Serves Dolvi steel plant, liquids, fertilizers (third party)
PN Ports (Raigad, Maharashtra)	4.5	8		Multi-cargo third party and Dolvi steel plant
Southwest Port (Goa)	14.0	11	100	Serves Vijayanagar steel plant
New Mangalore (Karnataka)-- container	14.0	4.2	0	Third party cargo
New Mangalore (Karnataka)-- coal	14.0	8.1	43	Serves Vijayanagar steel plant
Ennore (Tamil Nadu) - coal	16.0	9.6	30	Serves Salem/Vijayanagar plants and third party volumes
Ennore (Tamil Nadu) - bulk	14.5	2	50	Serves Salem steel plant and JSW Cement Nandyal plant and third party volumes
Paradip (Odisha)- iron ore	17.0	10	43	Group cargo and exports
Paradip (Odisha) - coal	15.0	30	0	Coastal coal third party
Fujairah Liquids (UAE)	14.5	5	0	Third party liquids
Total		177	51	

Source: Company, JM Financial

Capex pipeline for 400mnt capacity by FY30 (vs 177mnt) is already in place; JSWINFRA can exceed the targets

The management has targeted a capex plan of INR 390bn, of which INR 300bn is targeted for port capacity expansion and the remaining INR 90bn is for expanding logistics operations. Currently (end of FY25), port capacity stands at 177mnt (traffic handled in FY25 at 116mnt, which can rise 10% in FY26). The capacity can potentially exceed 290mnt by FY28E (assuming no major delays) with capacity expansions of JNPT, Goa and Tuticorin alone likely to push total capacity over 190mnt in FY26 itself. The management has provided a near-full visibility of ~362mnt by FY30E so far. We do not think achieving the remaining 45mnt is a challenge given the strong prospects of major port terminal privatisation.

Exhibit 4. JSWINFRA port capacity can exceed 400mnt by FY30



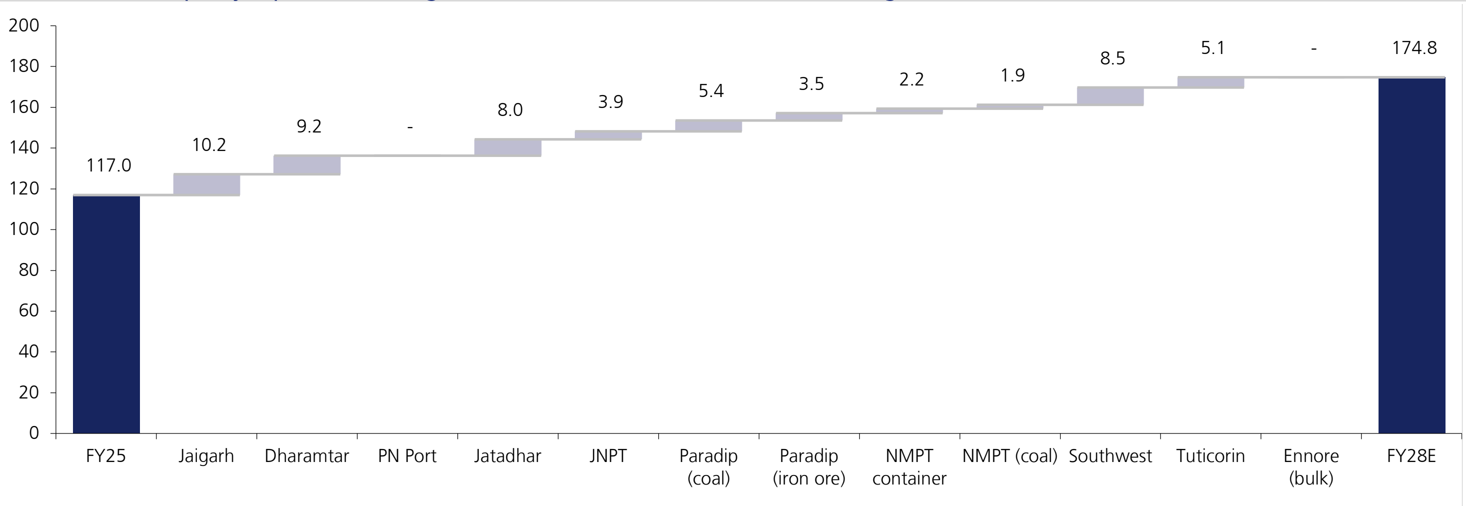
Source: Company, JM Financial

First wave of growth with Dolvi capacity expansion and Jatadhar slurry pipeline

JSTL is targeting commissioning of 5mnt at Dolvi in Sep'27. This can lead to increased raw material imports at Jatadhar and Dharamtar ports in FY28 itself, ramping up further in FY29E as the new capacity reaches optimal utilisation levels (>80% capacity utilisation). In addition, the slurry pipeline at Jatadhar port (30mnt secured by take-or-pay contracts) is slated to be commissioned in Apr'27, driving volume and EBITDA in FY28E onwards. Further, JSTL's pellet plant is expected to be commissioned around the same time, which can drive initial volume at the Jatadhar port (pellet/iron ore exports).

In the near term (FY27), commissioning of 2.0mnt of steel capacity at Vijayanagar can drive capacity utilisation at Goa Port (SW port) where capacity is being restored to 15mnt from 8.5mnt earlier (post environmental remediation measures). Further, new capacities coming up at Tuticorin and JNPT will drive further volume by FY28E.

Exhibit 5. Dolvi capacity expansion drives growth over FY26-28E besides commissioning of Jatadhar



Source: Company, JM Financial

Commissioning of Keni and Murbe port in FY29 provides further volume/margin uplift from Vijayanagar steel plant

JSWI targets to commission Keni port (30mnt) in Karnataka in FY29 and this port can be supported by volume from the Vijayanagar steel plant. Currently, JSTL Vijayanagar is serviced by Krishnapatnam (owned by ADSEZ) and various other ports (including JSTL coal berths at major ports like Mangalore but with steep royalty rates of ~31%). After the current expansion (2.0mnt), there is scope for an additional 5.0mnt capacity expansion at the Vijayanagar plant. This should drive demand for coal imports and the export of steel, which, in turn, will provide adequate cargo volume for JSWINFRA's Keni Port, in our view.

We expect these volumes to consolidate at Keni with its commissioning. Further, the royalty rates are negligibly low at Keni compared to major port terminals of JSWI and the shift can have a pronounced positive impact on EBITDA margin. The project capex for the port is INR41bn. The port's primary hinterland is coal and coke for steel and cement. It will also handle iron ore, limestone, dolomite, and steel exports.

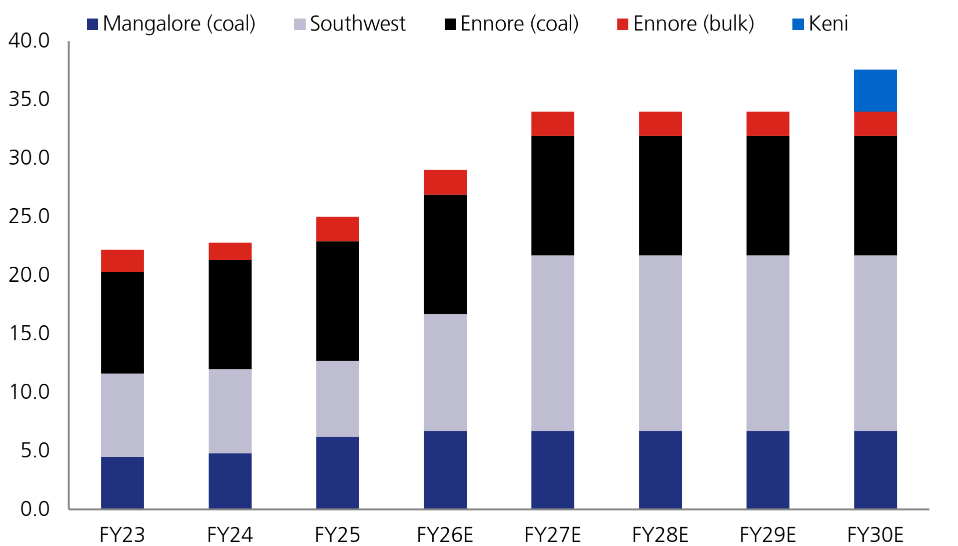
Murbe port (33mnt) is also likely to be commissioned in FY29 and can provide volume uptick at the port level and also at JSW Logistics. Murbe may serve as an export outlet for JSTL's rolling mills across Maharashtra and the inland logistics may very well be under the purview of JSW Logistics.

Exhibit 6. Keni and Murbe have negligible royalty vs. major port terminals operated by JSWI

Port	Royalty rates
Dharamtar (MH)	as per MMB
Jaigarh (MH)	INR3/mnt hiked by 20% pa till year 15.
Southwest Port (Goa)	18% of gross revenue (ex hire income)
New Mangalore -- container	INR951/TEU
New Mangalore -- coal	31% of gross revenue
Ennore - coal	52.52% of gross revenue
Ennore - bulk	36% of gross revenue
Paradip - iron ore	21% of gross revenue
Paradip - coal	31.70% of gross revenue
Tuticorin - coal	INR70/t or ~17.5% of gross revenue

Source: Company, JM Financial

Exhibit 7. Expansion of capacity at Southwest and Keni to drive growth



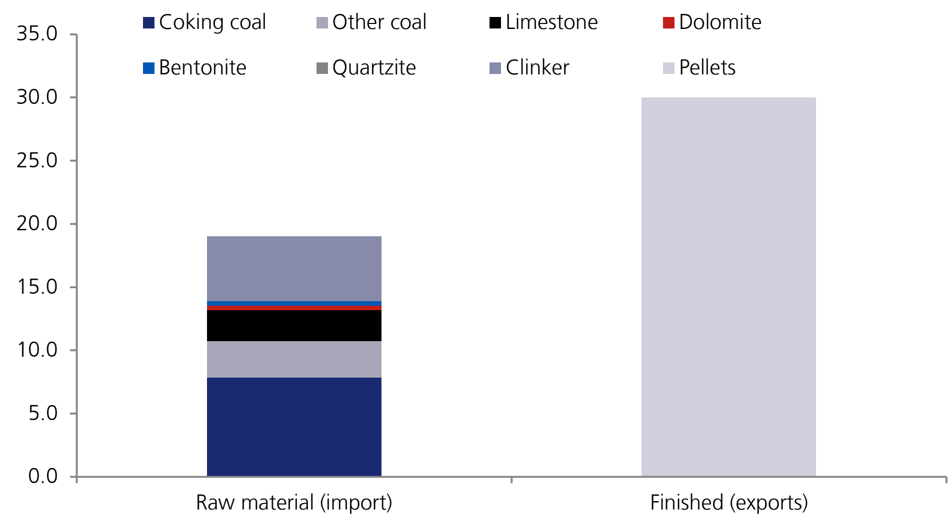
Source: JM Financial, Company

Further growth in Group cargo supported by JSTL's steel capacities coming up at Jatadhar (13mnt) in phases

The setting up of a pellet plant by JSTL and parallel set-up of a slurry pipeline by JSWI by end of FY27 provides volume uptick from FY28-30E. Our estimates are premised on these capacities coming up. However, we do note that in the followings phases JSTL is planning 13.2mnt of total steelmaking capacity at Jatadhar beyond FY30E.

Post the full development of all proposed projects (13.2mtpa steel plant + 10mtpa cement plant), we estimate 7.8mtpa in coking coal imports and 2.7mtpa of PCI (pulverised coal injection) coal for the steel plant. We expect 5.1mtpa of clinker and 4.9mtpa of limestone imports (50% by sea) for the cement plant. Thus, in the steady state, we expect 19mtpa of raw material cargo to be handled by Jatadhar port in the long term, in addition to the 30mtpa of pellet exports in Phase I, which is expected in early FY28E.

Exhibit 8. Jatadhar port can handle potential sea cargo of 30mnt in Phase I and an additional 19mnt after Phase II



Source: Company, JM Financial

Growth in third party cargo driven by coastal coal and liquids

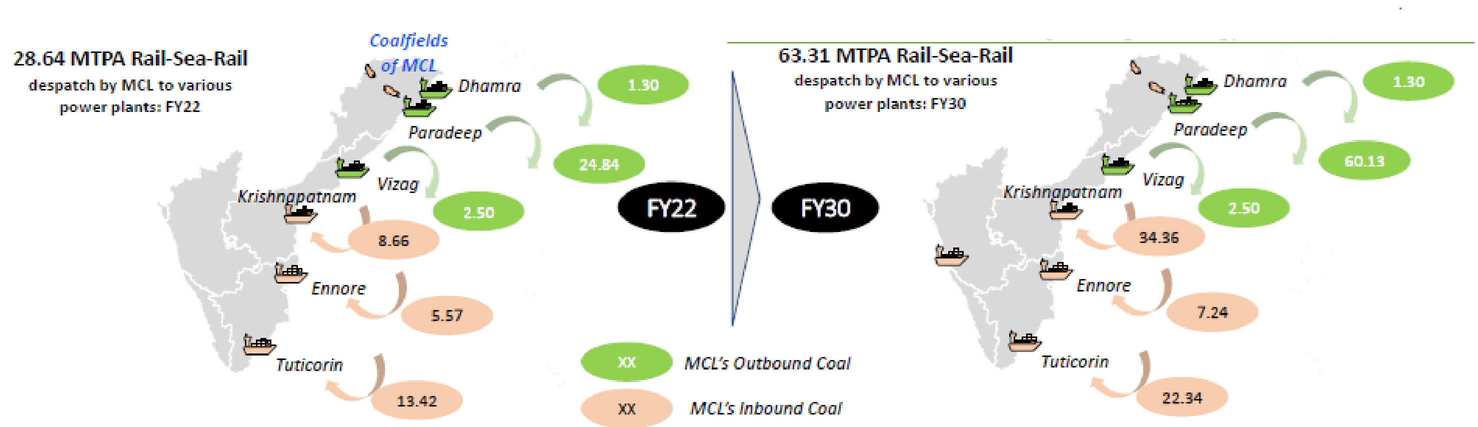
Rise in coastal coal movement benefits Paradip, Ennore and Tuticorin ports

We think JSWI's Paradip Port, located in Odisha, is well-placed to benefit from Coal India's (COAL IN) movement of thermal coal from its Mahanadi coal fields, in Odisha, to thermal power plants along the East Coast. Coal India's thrust on RSR (rail-sea-rail) movement is an effort to expand the evacuation capacity of coal, which has been so far hampered by shortage of rail rakes.

These coastal coal movements are mainly third party, i.e., non-JSW Group, in nature, and will significantly aid in increasing cargo diversity beyond related parties, in our opinion. Note that JSW Energy uses thermal coal at its Ratnagiri plant, which is imported and not coastal, and it is unlikely to benefit from this trend.

The benefit of coastal coal movement stems from its value being recognised twice once at Paradip (origin – outward movement) and at Ennore/Tuticorin (destination – inward movement). This leads to higher reported volume and revenue.

Exhibit 9. Coal coastal shipping traffic movement

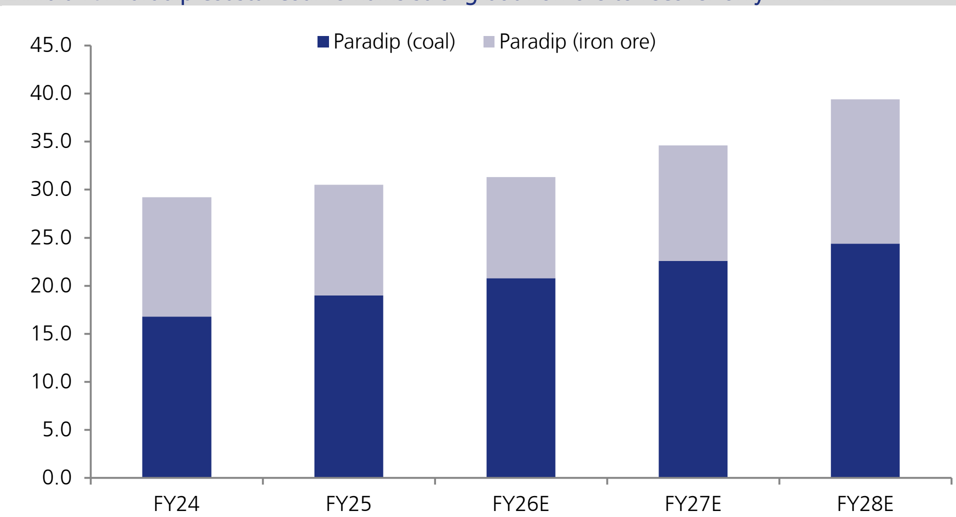


Source: Industry, JM Financial

Iron ore is facing near-term challenges that can persist in FY27 as well

Chinese demand for low grade iron ore fines has softened significantly, leading to a drop in iron ore fines prices. This has reduced iron ore exports, which has impacted the Paradip iron ore terminal since 4QFY25. More recently, even ADSEZ's management talked (1QFY26 earnings call) about soft iron ore export demand. We expect volume softness in third party iron ore exports to continue in FY26 and potentially FY27.

Exhibit 10. Paradip coastal coal remains strong but iron ore to recover only in FY27



Source: Company, JM Financial. Note: Data in mnt

Liquids and containers to drive third party volume on the West Coast & Middle East

JNPT liquid berth adds visibility on Jaigarh developing as a liquid terminal hub

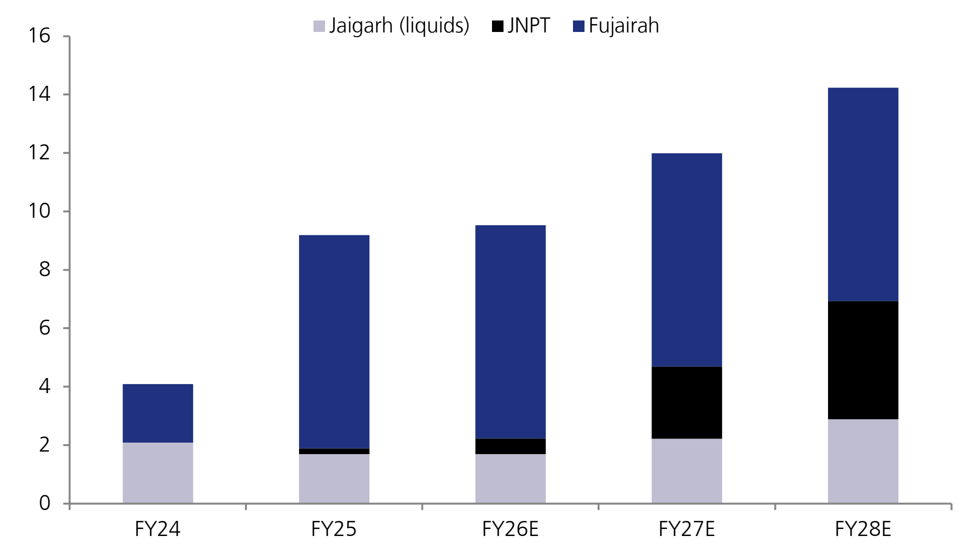
JSWINFRA is adding 2mtpa of LPG handling facilities at Jaigarh (commencement expected in FY27). This berth will be capable of handling VLGC (very large gas carriers) vessels. Do note that LPG tankage and storage operations are profitable with EBITDA/tonne ranging from INR1,000-1,100 (referring to Aegis Logistics operations).

JSWINFRA has also secured a 4.5mtpa liquid berth at JNPT, with a concession agreement of 30 years. It is likely intended as a transit point for cargos from the Jaigarh liquid terminal to access a wider hinterland. Jaigarh has limited rail/road access evacuation (rail/road and pipeline access), which should enable feeder vessel movement from Jaigarh to JNPT. However, we find the royalty rate of INR 252/tonne at JNPT as aggressive, given that non-LPG liquid tariffs only range from INR 400-500/tonne. We do not think JNPT will be a profit centre for JSWI but will still be EBITDA positive due to high margin aviation fuel imports.

Fujairah liquids terminal will continue to generate strong cash flows

JSWI acquired a 5mtpa liquids storage terminal at the Fujairah port for INR 15.5bn in FY24. The asset has high utilisation levels and is contributing EBITDA of USD 20mn-25mn annually. A further expansion of 5mtpa is likely in FY29. Over the long term, we expect this asset to provide an annual EBITDA of USD 50mn. The Fujairah terminal could also lead to increased share of third-party volume in the overall JSWI cargo mix.

Exhibit 11. Significant increase in liquid (mnt) volumes boosts third party volumes



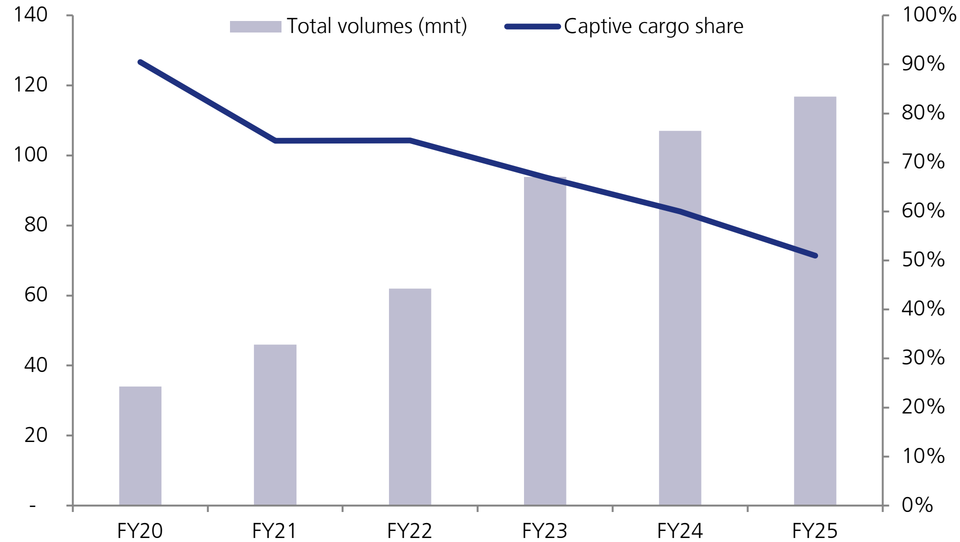
Source: Company, JM Financial

Dependence on Group cargo volumes declining and will continue in FY26

JSWI had Group cargo share of 51:49 in FY25 (vs. 60:40 in FY24 and vs. 90:10 in FY22). We do not view Group cargo exposure as negative as these appear to have decent profitability with EBITDA margin around 60%. Further, Group-linked loans and advances are limited, highlighting that the transactions are at arm's length.

Group cargo is essential anchor cargo. A good example is Jaigarh, which has anchor volumes from the Dolvi steel plant. But it is also topped up by third party cargo (liquids, sugar and fertilisers). Further, JSWI's major port terminals are largely supported by third party volume. The focus on eastern container trade (Kolkata) can also add further third party volume, resulting eventually in balanced Group and third party cargo mix (50:50) in the long term.

Exhibit 12. Share of Group cargo in mix has moderated over the years



Source: Company, JM Financial

Exhibit 13. Share of Group linked balances minimal; rise in FY25 due to acquisition of slurry pipeline

INR bn	FY20	FY21	FY22	FY23	FY24	FY25
JSW Sports OCD	3.09	2.96	2.83	-	-	-
Loans	2.76	2.71	2.49	0.59	0.07	0.05
of which						
Realcom Realty	0.50	0.48	0.38	-	-	-
JSW Projects	2.00	2.00	2.00	-	-	-
Accounts receivable	3.54	2.89	3.18	2.23	4.37	4.01
% of related sales	52%	32%	25%	13%	24%	23%
of which						
JSW Steel	2.65	2.08	2.20	1.75	3.87	2.86
Amba River coke	0.37	0.29	0.28	0.27	0.13	0.07
JSW Energy	0.45	0.42	0.52	0.10	0.09	0.17
Deposits given	-	0.00	0.11	0.16	0.20	0.18
Retention money for capital projects	-	-	-	-	-	3.73

Source: Company, JM Financial

Adequate opportunities exist from further berth privatisation

At FY24 PPP, berths at major ports accounted for 550mnt capacity out of total major ports capacity of 2,690mnt, implying that only 34% of the major ports capacity has been so far privatised. Our assessment of major ports data suggest at least 50% of cargo is handled at PPP berths out of 820mnt of total major ports cargo handled in FY24. This highlights operational efficiencies derived under the PPP model.

The Ministry of Shipping expects ~85% cargo to be handled at PPP berths within major ports cargo, which implies significant berth privatisation in the long term. For JSWI, this opens up opportunities that can increase its capacity target beyond 400mnt planned by FY30.

We note that all major port berths cannot be privatised. Some of the berths, especially in southern ports, are captive coal berths for power plants. There are also tankages and crude oil jetties of IOCL and HPCL. We estimate at least 30-35% of existing berths are of captive nature and are unlikely to be ever privatised. **Even then, we expect 45mnt-50mmt of PPP opportunities in the near term and 310mnt of visible opportunities in the longer term (FY30).**

Exhibit 14. Some key PPP opportunities; near term (FY26-27) potential at 47mnt

Major ports	Current PPP	Near term	Long term	Comments
Paradip	80	22.5	47.5	Mostly bulk, some green ammonia and petchem
New Mangalore	14		12	Bulk and liquids; Exclude: 60mnt are PSU captives
Cochin	40		36	Low utilisation levels at DPW and Petronet
Tuticorin	50		16	Containers, exclude: power plant captive berths
Ennore	34		6	Bulk berths. Exclude: TANGEDCO captive, IOCL tankage exists, SICAL is stuck
Chennai	66		71	Bulk 36 Liquid 35; Exclude: CPCL/IOCL captives
Vizag	60		30	Bulk terminals. Non-PPP capacities are captive RINL, HPCL
Haldia	23	24	46	Containers but low utilisation

Source: Industry, Company, JM Financial

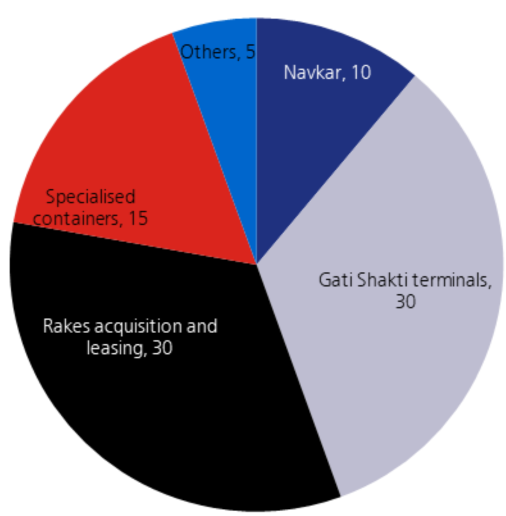
Logistics is another growth driver; significant scope to expand Group wallet share

JSWI constituted 20-25% of JSTL's logistics costs in FY23 and FY24 from port operations alone. With the acquisition of Navkar in FY25 and commissioning of the slurry pipeline in Odisha by end-FY27, we believe JSWI can address a larger share of the Group potential. These inland rail and slurry pipeline revenues can be topped up by third party cargo along with base cargo support from the Group.

The capex plan of INR 90bn over FY25-30 has to be seen in this context. JSWI targets revenue of INR 100bn in FY30E, of which nearly half maybe derived from the group alone (anchor customer), potentially adding INR 20bn in EBITDA (EBITDA margin was 15% in 1QFY26, with scope for improvement with scale).

The container train operations can support steel logistics from cold rolling mills of JSTL to the port of Murbe. Value-added steel (JSTL's focus area) is generally exported in containers (unlike bulk steel), which can drive container volume growth.

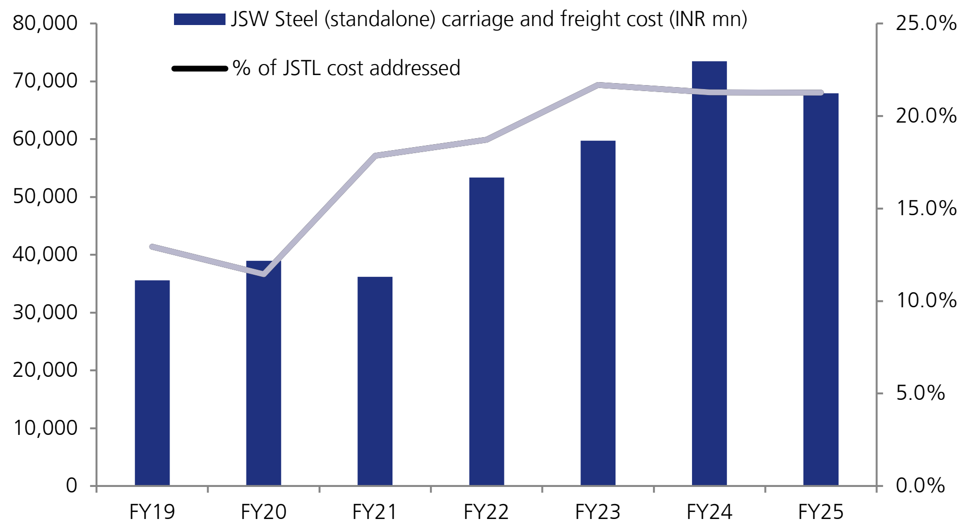
Exhibit 15. Logistics capex of INR 90bn on addition of terminals, rakes and containers



Source: Company, JM Financial

Exhibit 16. JSWI constituted only 20-25% of JSTL's overall logistics costs

LHS – INR mn, RHS = %



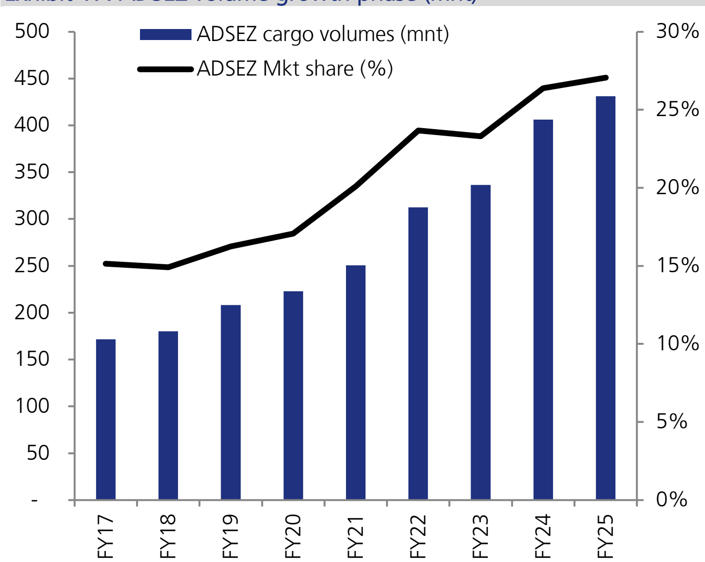
Source: Company, JM Financial

JSWI has a strong asset turnaround track record; balance sheet aids further capex

JSWI has low leverage metrics at 0.54x net debt-EBITDA (TTM) as of 1QFY26. This compares to 2.5x net debt to EBITDA targeted by the management, providing sufficient headroom to leverage the balance sheet to take advantage of emerging opportunities. In the event there is a temporary breach of 2.5x management target we would not be overly concerned as ADSEZ too during its growth phase from FY18 to FY25 (180mnt cargo volumes to 450mnt) did exceed 3.0x in some FYs.

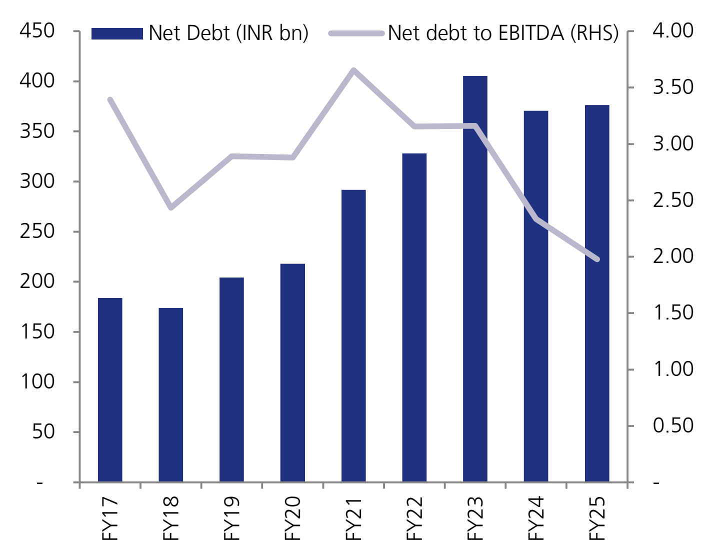
We estimate JSWI can support additional growth capex of INR 40bn annually from FY28E in addition to the planned capex of INR 390bn.

Exhibit 17. ADSEZ volume growth phase (mnt)



Source: Company, JM Financial

Exhibit 18. ADSEZ during its growth capex phase exceeded 3.0x



Source: Company, JM Financial

Exhibit 19. Strong OCF generation supports stronger growth capex

INR bn	FY24	FY25	FY26E	FY27E	FY28E
OCF	18.03	21.00	26.92	26.74	39.82
EBITDA	19.65	22.62	26.80	35.23	56.10
Net debt	0.71	20.17	57.81	102.96	113.60
Net debt/EBITDA (x)	0.04	0.89	2.16	2.92	2.03
Capex	(21.06)	(30.34)	(64.23)	(68.42)	(45.86)
Target net debt/EBITDA (x)	2.50	2.50	2.50	2.50	2.50

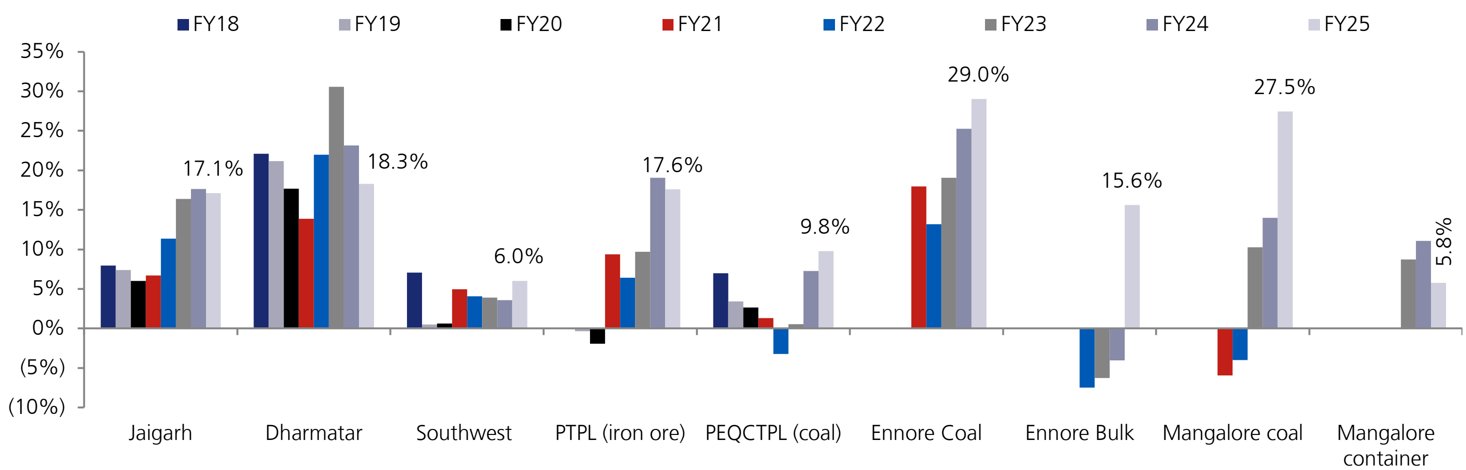
Source: Company, JM Financial

JSWI is capex efficient with a strong turnaround track record

Except for one port terminal (Paradip iron ore berth), no other project has faced cost or time overruns, highlighting execution excellence. Further, even for certain acquisitions like the major port terminals acquired from Chettinad Group in FY21, there has been marked turnaround in loss-making assets despite high royalties. Most of these assets have already achieved 10%+ ROCE. We note these subsidiaries contributed INR3.0bn-3.5bn in O&M revenue in FY23-25 in standalone financials. If we adjust for O&M revenue, then the assets are already on track for 18% RoCE targeted by the management.

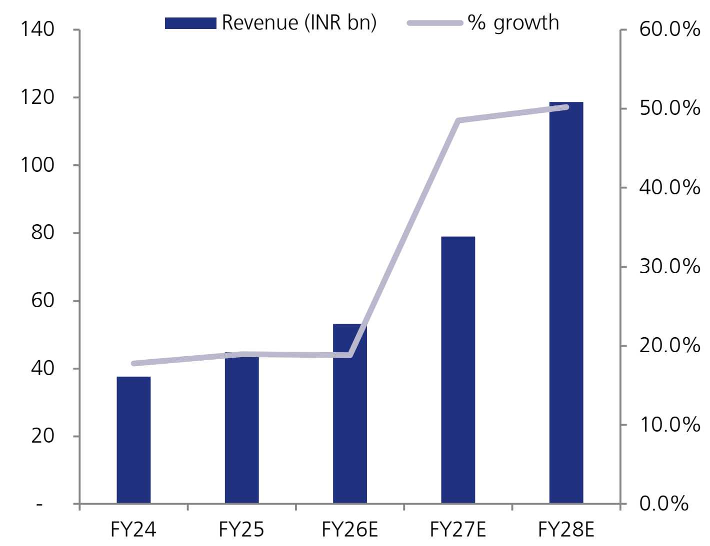
Even for the logistics business, we believe RoCE levels of 15-18% is achievable with potential EBITDA of INR 20bn in FY30E.

Exhibit 20. JSWI's mature projects have RoCE in of 18-25%; turnaround observed in acquisitions



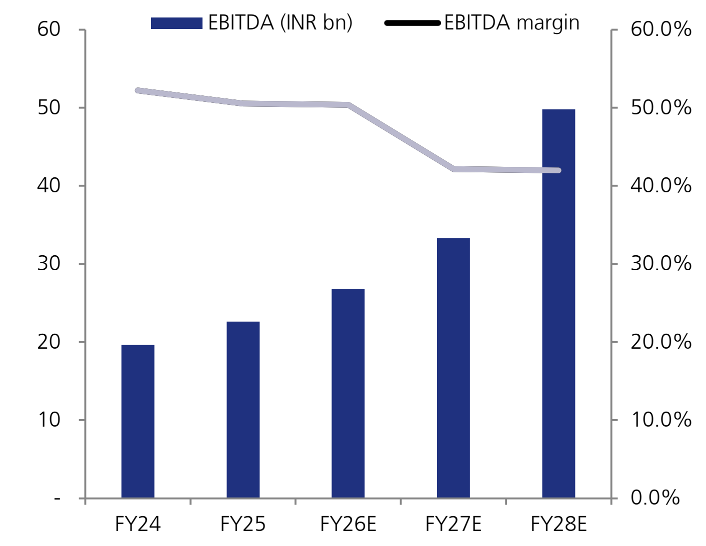
Source: Company, JM Financial

Exhibit 21. Port commissioning and logistics ramp-up drives revenue growth over FY25-28E



Source: Company, JM Financial

Exhibit 22. EBITDA margin impacted by higher share of lower margin logistics but overall EBITDA expands



Source: Company, JM Financial

Valuation: DCF derived TP of INR395 implying ~13.5x FY30E EV/EBITDA discounted to Sep'26

We estimate besides the announced capex pipeline of INR390bn JSWINFRA has further capacity to incur annual capex of INR30-40bn to remain within its net debt to EBITDA target of 2.5x (1QFY26 at 0.45x). Its track record of within budget execution and asset turnaround suggests ability to generate 16-18% ROCE on investments. We estimate with commissioning of key projects like Jatadhar and Keni as well as further growth capex JSWINFRA can achieve INR80-90bn in EBITDA by FY30.

Our DCF based TP of INR395 (Exhibit 23) implies an exit (FY30E) multiple of 13.5x discounted at a WACC of 9% to 1HFY27 which we view as reasonable (Exhibit 25). We believe in the event of QIP to reduce promoter stake an additional INR250bn of capex can be supported which can potentially add another INR70-80/sh to our TP (Exhibit 26) at ROCE of investments of 16-18%.

Exhibit 23. DCF-derived TP of INR 395

	INR mn	INR/sh
NPV	8,10,280	395
Terminal payments	59,948	29
Total value (EV)	8,70,228	424
Value by port assets		
Jaigarh	2,34,471	114
Dharamtar	51,401	25
Jatadhar	1,71,616	84
Keni	90,111	44
Fujairah	34,463	17
Paradip coal	28,376	14
Paradip iron ore	20,090	10
Rail	43,035	21
Others	35,739	17
Growth assets	1,17,891	57
Net Debt (FY26)	57,807	28
Equity value	**8,12,422**	**395**
Value from existing assets	6,94,530	339
Growth opportunities	1,17,891	57

Source: JM Financial

Exhibit 24. Sensitivity of TP to RoCE (columns) and growth capex (rows)

ROCE (%)	Growth capex (INR bn)			
	10.00	40.00	60.00	80.00
10%	339	339	339	339
12%	343	358	367	377
14%	348	**376**	**396**	415
16%	353	**395**	**424**	452
18%	357	**414**	**452**	490
20%	362	433	480	527

Source: JM Financial

Exhibit 25. Our TP implies 13.5x FY30 EV/EBITDA discounted to Sep'27

	FY25	FY26	FY27	FY28	FY29	FY30
EBITDA	20,423	24,213	30,718	49,505	72,591	86,809
EV/EBITDA (on TP)	42.61	35.94	28.33	17.58	11.99	10.02
Existing assets	34.01	28.68	22.61	14.03	9.57	8.00
EV/EBITDA (on CMP)	34.05	28.72	22.64	14.05	9.58	8.01
Exit EV/EBITDA						13.5
EV (1HFY27)		8,77,460				11,71,927
Equity		8,19,654				
Fair value		400				

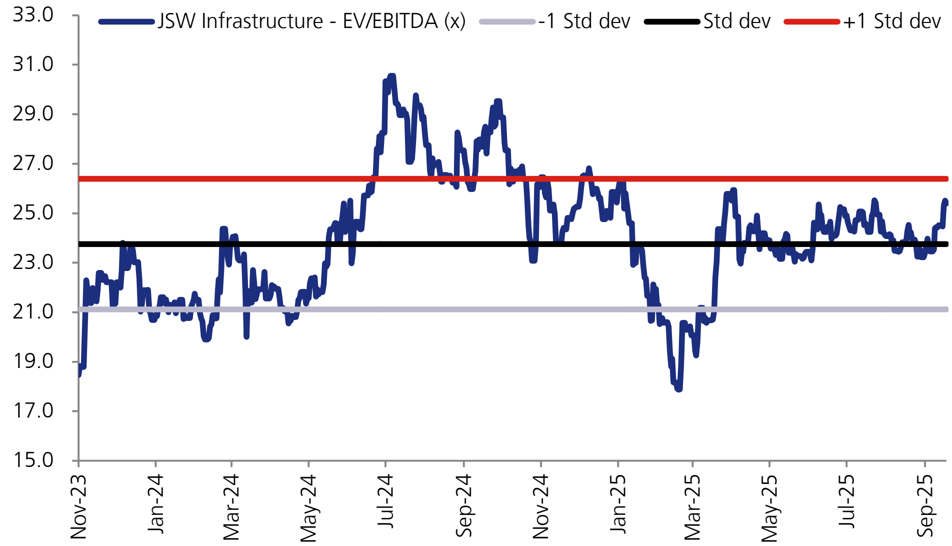
Source: JM Financial

Exhibit 26. A QIP can potentially add INR 74/sh in valuations

Parameter	Value	
Promoter Shareholding Current	83.62%	
Final Promoter holding (after dilution)	75%	
Total share raise	111%	
QIP size	11%	
Current mcap	640	INR bn
Potential Equity raise	74	INR bn
Assume D/E of 2:1	2	INR bn
Debt raise	147	INR bn
Additional capex	221	INR bn
Assume spread of years	5	years
Incremental capex	44	INR bn
For every 10bn pa capex delta TP add	19	INR/share
For incremental capex TP add	83	INR/share
Share dilution	11%	
Value add (INR/share)	74	INR/share

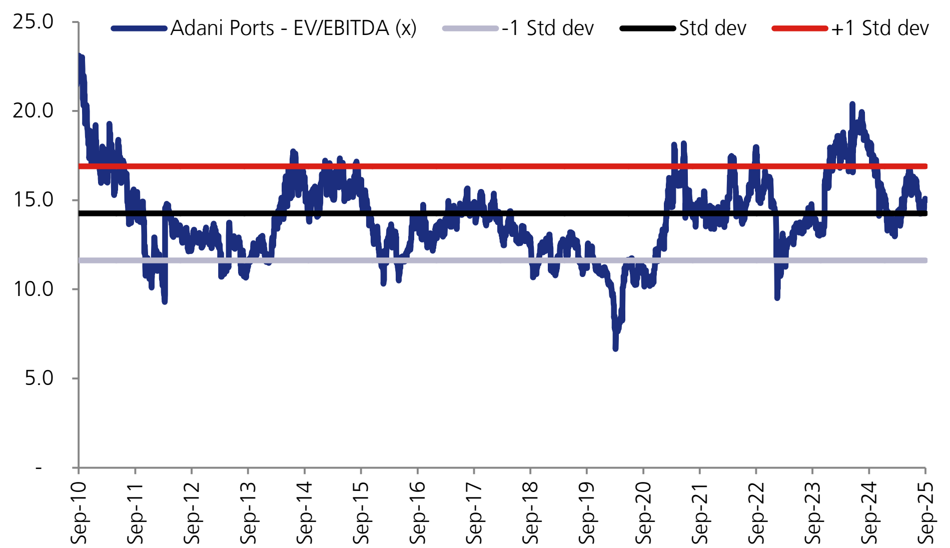
Source: JM Financial

Exhibit 27. JSWI 1 year forward EV/EBITDA



Source: Bloomberg

Exhibit 28. ADSEZ 1 year forward EV/EBITDA



Source: Bloomberg

Exhibit 29. JMFe vs Consensus

Particulars (INR mn)	JMFe		Consensus		Variation	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Sales	53,187	78,978	54,595	65,582	-2.6%	20.4%
EBITDA	26,733	33,149	26,210	30,712	2.0%	7.9%
EBITDA margin (%)	50.3%	42.0%	48.0%	46.8%	225bps	-486bps

Source: JM Financial, Bloomberg

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	37,629	44,761	53,187	78,978	1,18,629
Sales Growth	17.8%	19.0%	18.8%	48.5%	50.2%
Other Operating Income	0	0	0	0	0
Total Revenue	**37,629**	**44,761**	**53,187**	**78,978**	**1,18,629**
Cost of Goods Sold/Op. Exp	13,587	17,435	20,876	38,650	58,384
Personnel Cost	2,846	2,407	2,846	3,124	4,692
Other Expenses	1,550	2,298	2,731	4,055	6,091
EBITDA	**19,646**	**22,622**	**26,733**	**33,149**	**49,462**
EBITDA Margin	52.2%	50.5%	50.3%	42.0%	41.7%
EBITDA Growth	21.3%	15.1%	18.2%	24.0%	49.2%
Depn. & Amort.	4,365	5,466	6,070	8,113	7,591
EBIT	15,281	17,156	20,663	25,037	41,871
Other Income	2,694	3,530	3,282	2,057	2,350
Finance Cost	3,325	2,657	3,610	5,600	7,314
PBT before Excep. & Forex	14,650	18,028	20,335	21,493	36,906
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	14,650	18,028	20,335	21,493	36,906
Taxes	3,043	2,814	4,067	5,410	9,289
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	44	183	196	194	333
Reported Net Profit	11,563	15,031	16,072	15,890	27,284
Adjusted Net Profit	**11,563**	**15,031**	**16,072**	**15,890**	**27,284**
Net Margin	30.7%	33.6%	30.2%	20.1%	23.0%
Diluted Share Cap. (mn)	2,051.5	2,051.5	2,051.5	2,051.5	2,051.5
Diluted EPS (INR)	**5.6**	**7.3**	**7.8**	**7.7**	**13.3**
Diluted EPS Growth	40.4%	30.0%	6.9%	-1.1%	71.7%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	80,264	96,969	1,13,041	1,28,930	1,56,214
Share Capital	4,103	4,147	4,147	4,147	4,147
Reserves & Surplus	76,161	92,822	1,08,894	1,24,783	1,52,067
Preference Share Capital	0	0	0	0	0
Minority Interest	2,047	7,919	8,115	8,309	8,642
Total Loans	43,807	46,588	85,128	1,26,182	1,53,696
Def. Tax Liab. / Assets (-)	-2,952	-4,361	-4,361	-4,361	-4,361
Total - Equity & Liab.	**1,23,165**	**1,47,115**	**2,01,923**	**2,59,060**	**3,14,191**
Net Fixed Assets	78,895	1,15,432	1,73,596	2,33,906	2,72,171
Gross Fixed Assets	58,758	79,291	1,43,525	2,11,947	2,57,804
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	0	0	0	0	0
Capital WIP	1,089	19,886	19,886	19,886	19,886
Investments	2,445	1,828	1,828	1,828	1,828
Current Assets	52,644	46,450	43,754	42,032	61,672
Inventories	1,117	1,338	1,591	2,146	3,209
Sundry Debtors	6,768	8,090	9,618	12,978	19,404
Cash & Bank Balances	40,902	24,821	25,669	20,031	32,182
Loans & Advances	74	0	0	0	0
Other Current Assets	3,783	12,201	6,876	6,876	6,876
Current Liab. & Prov.	10,819	16,595	17,254	18,705	21,480
Current Liabilities	8,209	8,565	9,225	10,676	13,451
Provisions & Others	2,610	8,029	8,029	8,029	8,029
Net Current Assets	41,825	29,856	26,500	23,327	40,192
Total – Assets	**1,23,165**	**1,47,115**	**2,01,923**	**2,59,060**	**3,14,191**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	11,607	15,215	16,268	16,083	27,617
Depn. & Amort.	4,365	5,466	6,070	8,113	7,591
Net Interest Exp. / Inc. (-)	3,325	2,657	3,610	5,600	7,314
Inc (-) / Dec in WCap.	-1,141	41	4,204	-2,465	-4,714
Others	-3,167	-5,188	-7,402	-8,168	-14,092
Taxes Paid	3,043	2,814	4,067	5,410	9,289
Operating Cash Flow	**18,032**	**21,004**	**26,817**	**24,573**	**33,005**
Capex	-21,056	-30,334	-64,234	-68,423	-45,857
Free Cash Flow	-3,024	-9,330	-37,416	-43,849	-12,852
Inc (-) / Dec in Investments	-221	17	0	0	0
Others	-20,746	13,405	3,282	2,057	2,350
Investing Cash Flow	**-42,024**	**-16,912**	**-60,952**	**-66,366**	**-43,507**
Inc / Dec (-) in Capital	27,552	-279	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	1,370	2,782	38,540	41,054	27,514
Others	-3,883	-7,715	-3,610	-5,600	-7,314
Financing Cash Flow	**25,039**	**-5,213**	**34,930**	**35,454**	**20,200**
Inc / Dec (-) in Cash	**1,047**	**-1,121**	**796**	**-6,339**	**9,698**
Opening Cash Balance	6,187	7,234	6,113	6,961	1,323
Closing Cash Balance	7,234	6,113	6,908	621	11,021

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	30.7%	33.6%	30.2%	20.1%	23.0%
Asset Turnover (x)	0.3	0.3	0.3	0.3	0.4
Leverage Factor (x)	1.8	1.6	1.8	2.0	2.1
RoE	19.2%	17.0%	15.3%	13.1%	19.1%

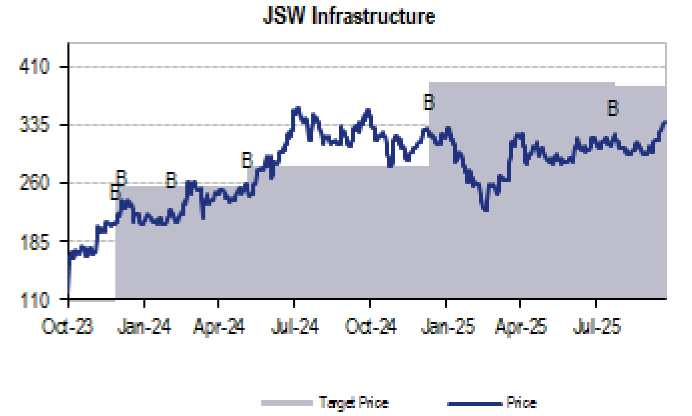
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	39.1	47.3	55.1	62.8	76.1
ROIC	16.5%	13.9%	10.9%	8.9%	11.9%
ROE	19.2%	17.0%	15.3%	13.1%	19.1%
Net Debt/Equity (x)	0.0	0.2	0.5	0.8	0.8
P/E (x)	60.1	46.3	43.3	43.8	25.5
P/B (x)	8.7	7.2	6.2	5.4	4.5
EV/EBITDA (x)	35.7	32.1	28.5	24.4	16.7
EV/Sales (x)	18.6	16.2	14.3	10.3	7.0
Debtor days	66	66	66	60	60
Inventory days	11	11	11	10	10
Creditor days	72	58	57	45	44

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
28-Nov-23	Buy	250	
5-Dec-23	Buy	255	2.0
4-Feb-24	Buy	255	0.0
6-May-24	Buy	282	10.6
11-Dec-24	Buy	390	38.3
22-Jul-25	Buy	385	-1.4

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -10% and < 5% over the next twelve months.
SELL	Expected return < -10% over the next twelve months.

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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