

JSW Infrastructure | BUY

NDR with management; targets multi-fold EBITDA growth

We hosted the JSWINFRA management at an Asian (SG/HK) roadshow over 10-12th Dec'25. It highlighted the anticipated strong multi-fold growth in EBITDA from FY28 as key capital projects get commissioned by end-FY27. Also, with large assets like Oman, Keni and Murbe set to be commissioned ~FY30, another wave of growth is to be expected. JSWINFRA is well-funded to support its entire INR 390bn capex plan (FY25-30) and its net debt to EBITDA is unlikely to exceed 2.5x. Logistics segment and EBITDA roadmap over FY26-30 were key investor queries. The queries also focused on further international expansion and any other residual acquisition of JSW Group logistics entities. We have a BUY rating and a TP of INR 395.

- **Current management has significant years of experience in JSW Group or in ports/logistics:** We hosted Mr Lalit Singhvi (senior director and ex-CFO), Mr J Nagarajan (CFO) and Mr Vishesh Pachnanda (investor relations) as part of a non-deal roadshow (NDR) in Singapore and Hong Kong. The current CMD Mr Rinkesh Roy (not part of the NDR) is an industry veteran, with extensive experience in Indian Railways; he has also served as chairman of four major ports. Both Mr Singhvi and Mr Nagarajan have extensive experience within the JSW Group. Similar to other JSW Group companies, JSWINFRA follows the vision of the chairman (Mr Sajjan Jindal), implemented by a professional management.
- **Strong wave of growth after FY27 as first wave of assets are commissioned:** The management stated that commissioning of key assets, namely, slurry pipeline and a 30mmt port at Jatadhar coupled with capacity expansion at Jaigarh and Dharamtar, drives volume growth. These volumes are underpinned by Dolvi steel plant expansion of 5mmt (10mmt to 15mmt) in Apr'27, which can lead to an additional 15mmt of demand. Since the vast majority of the expansion is in private ports vs. major port terminals (e.g., Kolkata container, Tuticorin, JNPT) effective royalty rates across entire cargo will reduce, boosting EBITDA margin and port EBITDA. These factors, coupled with the recent rail rake business acquisition (management estimates INR 1.5bn+ EBITDA in FY27E) and Navkar ramp-up, could lift EBITDA sharply.
- **Further wave of growth ~FY30 as more assets are commissioned:** The management expects assets in Oman, Keni and Murbe to be commissioned ~FY30. This, coupled with ramp-up of existing assets, can lead to multi-fold EBITDA growth vs. FY25. It continues to target INR 20bn EBITDA in logistics by FY30 vs. an investment of INR 90bn. Once again, as the assets commissioned are private ports, royalty rates will dip and ports EBITDA has scope to expand.
- **Group well-funded for INR 390bn capex, including a potential primary raise:** JSWINFRA has INR 300bn port capex plan (FY25-30) and INR 90bn logistics capex plan for most of the port expansion (400mmt capacity vs. 177mmt currently), which is largely known. So far INR 40bn of capex has been incurred. The management expects to generate INR 150bn OCF over FY26-30 and may raise INR 70bn in the primary market (to reduce promoter shareholding to 75% to meet minimum free float norms). The remaining INR 130bn will be debt financed in addition to the existing net debt of INR 20bn. Under all situations, **net debt to EBITDA will remain under 2.5x.**
- **No more related-party acquisition or near-term global expansion planned:** JSWINFRA said the rail rake business acquisition was the last such acquisition from JSW Group. The Oman expansion was opportunistic and currently no more international projects are planned. For any investments, it has set post-tax project IRR threshold of 15% and target RoCE of 18-20% within 4-5 years of asset commissioning. We maintain BUY with a DCF-based TP of INR 395.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	395
Upside/(Downside)	44.2%
Previous Price Target	395
Change	0.1%

Key Data – JSWINFRA IN

Current Market Price	INR274
Market cap (bn)	INR575.9/US\$6.4
Free Float	14%
Shares in issue (mn)	2,051.5
Diluted share (mn)	2,051.5
3-mon avg daily val (mn)	INR504.8/US\$5.6
52-week range	349/218
Sensex/Nifty	85,268/26,047
INR/US\$	90.4

Price Performance

%	1M	6M	12M
Absolute	-2.4	-9.3	-14.9
Relative*	-3.2	-13.7	-18.0

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	37,629	44,761	53,382	69,053	1,07,575
Sales Growth (%)	17.8	19.0	19.3	29.4	55.8
EBITDA	19,646	22,622	26,323	30,859	48,461
EBITDA Margin (%)	52.2	50.5	49.3	44.7	45.0
Adjusted Net Profit	11,563	15,031	16,959	15,559	27,584
Diluted EPS (INR)	5.6	7.3	8.3	7.6	13.4
Diluted EPS Growth (%)	40.4	30.0	12.8	-8.3	77.3
ROIC (%)	16.5	13.9	11.9	9.1	12.4
ROE (%)	19.2	17.0	16.1	12.8	19.3
P/E (x)	48.6	37.4	33.1	36.1	20.4
P/B (x)	7.0	5.8	4.9	4.3	3.6
EV/EBITDA (x)	28.9	26.2	23.0	21.5	14.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 12/Dec/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Key takeaways from JSWINFRA NDR

- **Business model consists of investments in private ports, major port terminals and investments into logistics:** Construction in private ports is a longer gestation activity and the investment decision is based on clear cargo visibility. For example, Jatadhar is planned as a captive port for group cargo; similarly Keni port is supported by cargo from JSW Vijayanagar expansion, with at least 12mmtpa shift in volume from regional ports like Krishnapatnam of JSW Steel cargo. In case of Murbe, the focus is on container cargo; it is strategically located 11 kms from the Western Dedicated Freight Corridor (WDFC) and has the potential to emerge as a JNPT alternate. For major port terminals, the management highlighted that cargo is generally present due to the well-developed ecosystem. Capex levels are also lower as heavy investment items like breakwater, dredging and evacuation infrastructure are undertaken by the government. The lower capex is offset by higher royalties, leading to similar RoCE but with lower risks. Due to mobilisation of mobile harbour cranes, it is possible to generate revenue/EBITDA from major port terminals even as berth modernisation occurs. JSWINFRA entered the logistics segment recently with INR 10bn equity investment in Navkar in Oct'24. Since then, it has also acquired the rail rake business from promoter entities, adding INR 1.5bn EBITDA potential in FY27E.
- **Port volume expansion plans for 400mmt by FY30 vs. 177mmt at present is already in place:** With Oman (27mmt) project declared recently for a capex of USD 419mn the total project pipeline now stands at 389mmt, of the 400mmt port capacity planned by FY30. The total capex budgeted is INR 300bn for ports with the management setting threshold project IRR (post tax) of 15%. It targets to achieve 18-20% RoCE (pre-tax) within 4-5 years of operations. In addition, company can potentially exceed the 400mmt target if the central government expedites berth privatisation at major ports. The government plan is to privatise 400mmt of berths by FY30 and, given relatively limited competition, JSWINFRA can potentially secure another 80mmt-100mmt.
- **Cargo mix is domestic bulk oriented with no impact from US trade tariffs:** The cargo mix consists of 2% containers from Mangalore port. These volumes are also non-US and hence there is no impact of US tariffs. JSWINFRA cargo is primarily bulk cargo with significant import cargo of coking coal (40%), EXIM coal, movement of coastal coal (together 20%), iron ore (22%), fluxes (6-7%) and liquids (6%). Residual volumes are sugar and molasses. Presently, group and third party cargo is evenly balanced at 50:50 and the aspiration is to maintain it.
- **Related party acquisitions are largely done:** To investor queries, the management stated that no such promoter or JSW assets are there for acquisition. The management stated that since logistics is a rapid growth vertical there may be third party acquisitions but ruled out the possibility of any promoter entity acquisition. JSWINFRA intends to spend INR 90bn in logistics over FY25-30. Further, the management stated that since the IPO (Oct'23) there have been no related party loans or advances provided to any group/promoter entities.
- **Foreign expansions are unlikely beyond Oman:** The management clarified to investors that further investments into foreign assets are not being considered at present. In the specific case of Oman, the eventual volume is tied to India's steel growth story rather than international trade growth. India lacks steel grade limestone and imports gypsum from the Middle East for cement. JSWINFRA is targeting the steel and cement industry in particular, with cargo visibility exceeding 21mmtpa (13mmt limestone and 8mmt gypsum).
- **Strong credit ratings, JSW Steel credit metrics also improving:** JSWINFRA has AA+ domestic credit rating and investment grade rating globally. It has reduced its net debt to EBITDA guidance to 2.5x (long term) vs. 3.5x (provided at the time of bond issuance). The current net debt to equity is 0.16x. Further, the situation is improving at the group level with net debt to reduce by INR 375bn following the deal with JFE (Japan) for Bhushan Power and Steel (BPSL) assets.
- **Well-funded for the INR 390bn capex programme for FY25-30:** The company has spent INR 40bn in capex so far (including acquisitions). Thus, INR 350bn of capex is yet to be incurred. The management expects INR 150bn from internal accruals. Since promoter shareholding has to be reduced to 75% before Oct'26, the management is likely to go for a primary issuance. This can at present levels net INR 70bn in equity. The remainder INR 130bn will be debt funded.
- **Despite 7-8% volume growth target in FY26, EBITDA growth can be 10-12%:** The management has reduced its volume guidance from 10% to 7-8% for FY26. This was factoring in headwinds for iron ore exports from the Paradip iron ore terminal. However, the EBITDA impact is minimal due to high royalty at Paradip. In Oct-Nov'26 iron ore volume is gradually normalising to previous year's levels. On top of that, the management has undertaken price

hikes at some of its terminals, boosting margins. In Goa, a 30% hike was approved by port authorities for investment in a coal shed yard.

- **Payout policy to remain at 10-20% of net profit:** JSWINFRA has a payout target of 10-20% (12% in FY25) and is a dividend-paying company. It has not paid dividends pre-IPO.

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	37,629	44,761	53,382	69,053	1,07,575
Sales Growth	17.8%	19.0%	19.3%	29.4%	55.8%
Other Operating Income	0	0	0	0	0
Total Revenue	37,629	44,761	53,382	69,053	1,07,575
Cost of Goods Sold/Op. Exp	13,587	17,435	21,472	31,916	49,335
Personnel Cost	2,846	2,407	2,846	2,731	4,255
Other Expenses	1,550	2,298	2,741	3,546	5,524
EBITDA	19,646	22,622	26,323	30,859	48,461
EBITDA Margin	52.2%	50.5%	49.3%	44.7%	45.0%
EBITDA Growth	21.3%	15.1%	16.4%	17.2%	57.0%
Depn. & Amort.	4,365	5,466	5,570	7,561	7,194
EBIT	15,281	17,156	20,753	23,298	41,268
Other Income	2,694	3,530	4,302	2,773	2,923
Finance Cost	3,325	2,657	3,597	5,025	6,879
PBT before Excep. & Forex	14,650	18,028	21,458	21,046	37,312
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	14,650	18,028	21,458	21,046	37,312
Taxes	3,043	2,814	4,292	5,297	9,391
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	44	183	207	190	337
Reported Net Profit	11,563	15,031	16,959	15,559	27,584
Adjusted Net Profit	11,563	15,031	16,959	15,559	27,584
Net Margin	30.7%	33.6%	31.8%	22.5%	25.6%
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	8.3	7.6	13.4
Diluted EPS Growth	40.4%	30.0%	12.8%	-8.3%	77.3%
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

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	11,607	15,215	17,166	15,748	27,921
Depn. & Amort.	4,365	5,466	5,570	7,561	7,194
Net Interest Exp. / Inc. (-)	3,325	2,657	3,597	5,025	6,879
Inc (-) / Dec in WCap.	-1,141	41	4,190	-1,750	-3,904
Others	-3,167	-5,188	-7,402	-8,168	-14,092
Taxes Paid	3,043	2,814	4,292	5,297	9,391
Operating Cash Flow	18,032	21,004	27,413	23,715	33,389
Capex	-21,056	-30,334	-39,936	-78,716	-44,857
Free Cash Flow	-3,024	-9,330	-12,523	-55,001	-11,468
Inc (-) / Dec in Investments	-221	17	0	0	0
Others	-20,746	13,405	4,302	2,773	2,923
Investing Cash Flow	-42,024	-16,912	-35,634	-75,943	-41,934
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	23,962	47,230	26,914
Others	-3,883	-7,715	-3,597	-5,025	-6,879
Financing Cash Flow	25,039	-5,213	20,365	42,204	20,035
Inc / Dec (-) in Cash	1,047	-1,121	12,144	-10,024	11,491
Opening Cash Balance	6,187	7,234	6,113	17,064	7,138
Closing Cash Balance	7,234	6,113	18,256	7,040	18,628

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	80,264	96,969	1,13,928	1,29,487	1,57,071
Share Capital	4,103	4,147	4,147	4,147	4,147
Reserves & Surplus	76,161	92,822	1,09,781	1,25,340	1,52,924
Preference Share Capital	0	0	0	0	0
Minority Interest	2,047	7,919	8,126	8,316	8,652
Total Loans	43,807	46,588	70,550	1,17,780	1,44,694
Def. Tax Liab. / Assets (-)	-2,952	-4,361	-4,361	-4,361	-4,361
Total - Equity & Liab.	1,23,165	1,47,115	1,88,243	2,51,221	3,06,056
Net Fixed Assets	78,895	1,15,432	1,49,798	2,20,953	2,58,616
Gross Fixed Assets	58,758	79,291	1,19,227	1,97,943	2,42,800
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	53,880	46,733	66,203
Inventories	1,117	1,338	1,594	1,988	2,868
Sundry Debtors	6,768	8,090	9,637	12,022	17,344
Cash & Bank Balances	40,902	24,821	35,772	25,846	39,114
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	17,262	18,293	20,590
Current Liabilities	8,209	8,565	9,233	10,263	12,561
Provisions & Others	2,610	8,029	8,029	8,029	8,029
Net Current Assets	41,825	29,856	36,617	28,441	45,612
Total - Assets	1,23,165	1,47,115	1,88,243	2,51,221	3,06,056

Source: Company, JM Financial

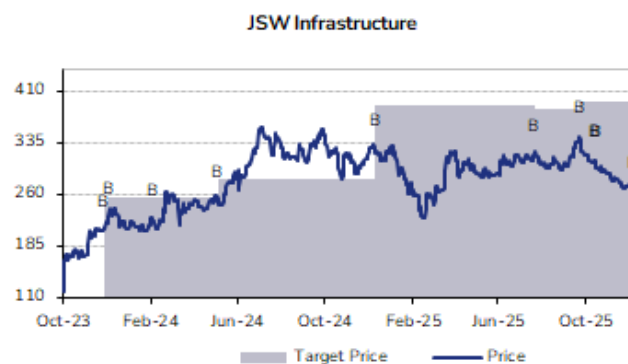
Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	30.7%	33.6%	31.8%	22.5%	25.6%
Asset Turnover (x)	0.3	0.3	0.3	0.3	0.4
Leverage Factor (x)	1.8	1.6	1.7	1.9	2.0
RoE	19.2%	17.0%	16.1%	12.8%	19.3%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	39.1	47.3	55.5	63.1	76.6
ROIC	16.5%	13.9%	11.9%	9.1%	12.4%
ROE	19.2%	17.0%	16.1%	12.8%	19.3%
Net Debt/Equity (x)	0.0	0.2	0.3	0.7	0.7
P/E (x)	48.6	37.4	33.1	36.1	20.4
P/B (x)	7.0	5.8	4.9	4.3	3.6
EV/EBITDA (x)	28.9	26.2	23.0	21.5	14.0
EV/Sales (x)	15.1	13.2	11.3	9.6	6.3
Debtor days	66	66	66	64	59
Inventory days	11	11	11	11	10
Creditor days	72	58	56	50	46

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
24-Sep-25	Buy	395	2.7
14-Oct-25	Buy	395	-0.2
16-Oct-25	Buy	395	0.0
8-Dec-25	Buy	395	0.2

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

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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