

JSW Energy (JSW) - SELL

Q4FY26 Result Update

Current Market Price (CMP) Rs.557	Fair Value (FV) Rs.455
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Rationale:

- JSW Energy closed FY26 with headline EBITDA growth of 93% yoy at ~Rs10060cr, aided by new acquisitions, even as PBT declined 7% yoy.
- Organic growth modest at 11% yoy while deferred tax credits boosted reported PAT.
- The total capacity addition stood at 2.6 GW; missed the 3.8 GW capacity addition target for FY26, while aiming for 3 GW addition in FY27E.
- An equity raise would help support the massive plans.
- Stock remains expensive at 3X P/B (2027E).
- Maintain SELL with a revised SoTP based FV of Rs455 (Rs450 earlier).

👍 Positives:

- Q4FY26 EBITDA growth of 87% yoy was also supported by acquisition.
- Generation up 48% yoy, aided by acquisitions and capacity additions.
- KSK, Ind-Barath and new RE assets led the generation growth;
- JSW has large pipeline of projects and is targeting generation capacity of 30 GW and storage capacity of 40 GWh by FY30E.

👎 Negatives:

- Added 118 MW renewable capacity in Q4FY26—lower than the targeted ~1.4 GW addition at the start of the quarter.
- Net debt has increased to Rs65800cr due to acquisitions and ongoing capex.
- Barmer earnings declined due to regulatory step-down in depreciation.

(Earnings Before Interest, Taxes, Depreciation, and Amortization, GW: Giga Watt, SoTP: Sum of the parts, P/B: Price to Book Value, MW: Mega Watt, GWh: Giga Watt Hour, PBT: Profit Before Tax, PAT: Profit After Tax)



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
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- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

Arun Agarwal
Auto & Auto Ancillary, Building Material,
Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

Amit Agarwal, CFA
Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

Rini Mehta
Research Analyst
rini.mehta@kotak.com
+91 22 6218 6433

Sumit Pokharna
Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

Veer Trivedi
BFSI
veer.trivedi@kotak.com
+91 22 6218 6432

Pankaj Kumar
Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 5498

Amarjeet Maurya
Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

Gaurav Bhandari
Research Analyst
bhandari.gaurav@Kotak.com
+91 22 6218 6440

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
shrikant.chouhan@kotak.com
+91 22 6218 5408

Amol Athawale
amol.athawale@kotak.com
+91 20 6620 3350

Sayed Haider
sayed.haider@kotak.com
+91 22 62185458

DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal
sahaj.agrawal@kotak.com
+91 79 66041701

Prasenjit Biswas, CMT, CFTe
prasenjit.biswas@kotak.com
+91 33 6638 8331

Karan Kulkarni
karan.kulkarni@kotak.com
+91 20 66203350

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