

JINDAL STEEL AND POWER (JSP) – BUY

Result Update

Current Market Price (CMP) Rs. 988	Target Price Rs.1165
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Rationale:

- JSP's Q1FY25 standalone EBITDA came in line with our estimates with higher volumes offsetting lower spreads.
- Higher EBITDA from subsidiaries led to beat at consolidated level but this cannot be extrapolated.
- JSP continues to outperform peers on margins led by improving product mix, higher flats, and ramp-up of captive coal mine.
- Growth projects witnessing further 3-6 months of delay.
- Stock is currently trading at valuation of 12.2x P/E FY26E EPS.
- We trim earnings and Fair Value to Rs1,165/share; maintain BUY.

Q1FY25 Result Update:

Positives:

- JSP's consolidated EBITDA of Rs2,830 cr (+4.7% yoy, +13% qoq) was 6% higher than our estimates.
- Steel sales volume, at 2.09 mn tons, was +4% qoq (+14% yoy).

Negatives:

- Growth & margin accretion projects have been delayed by 2-3 qrt. in revised capex plan.

[Click here](#) For detailed report dated 24 July 2024. Note: CMP & valuation may differ due to Click here Click here difference in dates.



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