

JSW Infrastructure | BUY

2QFY26 in line; remains our top pick in ports

JSWINFRA's 2QFY26 EBITDA, at INR6.1bn (+17% y-y), was in line with our estimates. With 1HFY26 EBITDA at INR 12bn and 2H being seasonally stronger, we see no significant downside risks to our FY26 EBITDA estimate of INR 26bn. Thus, our EBITDA estimates for FY26/27 are unchanged. We view JSWINFRA as a proxy on Indian steel demand growth along with increase in coastal coal movement. We think a near-term multiple-based approach does not factor in a near 4-5x rise in EBITDA from FY25 to FY30 and thus derive a DCF-based TP of INR 395. Our TP implies 17.6x FY28 EV/EBITDA. JSWINFRA is our top pick in the ports space.

- **Volume growth muted but profitability improved y-y:** Cargo volumes came in at 28.9mnt (+3% y-y). Revival in group cargo volumes at Jaigarh, Dharamtar and South West Goa ports was offset by weak iron ore volumes at Paradip iron ore terminal. However, for ports realisation/tn rose 7% y-y and EBITDA/tn rose 12% y-y. The management attributed this increase to price hike undertaken at Ennore coal terminal and South West Port Goa (to be sustained in 2HFY26), coupled with higher volume share from Jaigarh, Dharamtar and South West port Goa (lower royalty at these ports). Thus, EBITDA margin for ports rose to 53% in 2QFY26 (vs. 52% y-y).
- **Retain our EBITDA estimates for FY26/27:** The management has marginally reduced volume growth guidance for FY26 to 8-10% (vs. 10% earlier) led by headwinds to iron ore volumes. However, with 1HFY26 EBITDA at INR12bn and 2H being seasonally stronger, we see no significant downside risks to our FY26 EBITDA estimate of INR 26bn. The management expects EBITDA margin of 45-50% on a consolidated basis (blended margins are lower vs. that for ports due to lower logistics margin of 15-16%).
- **Logistics EBITDA on track to achieve FY26 guidance, long-term growth plan intact:** The management has maintained the guidance of INR 7bn-8bn in revenue and INR 1bn in EBITDA from the logistics segment for FY26. With 1HFY26 EBITDA already at INR 0.45bn, we view the guidance as achievable. By FY30, the management expects a revenue of INR 80bn from logistics with 25% EBITDA margin. It expects domestic/EXIM cargo to contribute 60%/40% of the revenue. Logistics volumes will be anchored by group volumes on which third party volumes are to be acquired, thereby reducing empty running costs. The management expects share of group volumes at 35-40% in the logistics segment.
- **Strong balance sheet highlights significant growth potential beyond the INR 390bn capex pipeline:** JSWI's net debt to EBITDA stands at 0.75x at 1HFY26 vs. 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. We believe that in the event of a QIP to reduce promoter stake an additional INR 250bn of capex can be supported, which can potentially add another INR 75/sh to our TP at RoCE of investments of 16-18%. Please see our note: [Cargo to cash: Unlocking value in ports logistics](#) for more details.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	395
Upside/(Downside)	27.7%
Previous Price Target	395
Change	-0.1%

Key Data – JSWINFRA IN

Current Market Price	INR309
Market cap (bn)	INR648.8/US\$7.4
Free Float	14%
Shares in issue (mn)	2,051.5
Diluted share (mn)	2,051.5
3-mon avg daily val (mn)	INR530.7/US\$6.0
52-week range	349/218
Sensex/Nifty	83,468/25,585
INR/US\$	87.8

Price Performance

%	1M	6M	12M
Absolute	-5.3	0.8	-4.6
Relative*	-6.2	-5.1	-7.4

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	37,629	44,761	53,030	79,211	1,18,129
Sales Growth (%)	17.8	19.0	18.5	49.4	49.1
EBITDA	19,646	22,622	26,377	33,148	49,162
EBITDA Margin (%)	52.2	50.5	49.7	41.8	41.6
Adjusted Net Profit	11,563	15,031	15,698	15,863	27,027
Diluted EPS (INR)	5.6	7.3	7.7	7.7	13.2
Diluted EPS Growth (%)	40.4	30.0	4.4	1.1	70.4
ROIC (%)	16.5	13.9	10.7	8.9	11.8
ROE (%)	19.2	17.0	15.0	13.2	19.0
P/E (x)	54.8	42.2	40.4	40.0	23.5
P/B (x)	7.9	6.5	5.6	4.9	4.1
EV/EBITDA (x)	32.5	29.3	26.6	22.6	15.6
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 16/Oct/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.

Result Highlights:

- **Cargo volumes muted due to lower iron ore volumes:** Cargo volumes came in at 28.9mnt (+3% y-y) in line with our estimate of 28.7mnt. Revival in group cargo volumes at Jaigarh, Dharamtar and South West Goa ports was offset by weak iron ore volumes at Paradip iron ore terminal. 1HFY26 volumes came in at 58.2mn (+4% y-y). Excluding the decline in iron ore volumes, 1HFY26 volume growth would have been 10% y-y.
- **Profitability rose y-y:** Revenue grew by 26% YoY to INR 12.6bn, which was 5% ahead of our estimate and in line with consensus estimate. Port revenue came in at INR 11bn (+10% y-y). For ports, realisation/tn rose 7% y-y and EBITDA/tn rose 12% y-y. The management attributed this increase to price hike undertaken at Ennore coal terminal and South West Port Goa (which will be sustained in 2HFY26), coupled with higher volume share from Jaigarh, Dharamtar and South West port Goa (due to lower royalty at these ports).
- **EBITDA in line with JMFe:** EBITDA grew by 17% YoY to INR 6.1bn, in line with JMFe and consensus estimates. EBITDA margin came in at 48.2%, lower than JMFe of 49.4% and consensus estimate of 48.7%.
- **PAT fell 1% y-y:** PAT stood at INR 3.7bn down 1% YoY led by higher finance cost and FX losses, partially offset by higher other income and lower tax rate.

Exhibit 1. JSWINFRA 2QFY26 EBITDA in line with JMFe and consensus estimates

INR mn unless mentioned otherwise	Sep-24	Jun-25	Sep-25	% y-y	% q-q	vs JMFe	vs BBGe
Volumes (mnt)	28.20	29.37	28.9	2.8%	-1.7%	0.4%	
Revenue	10,014	12,239	12,656	26.4%	3.4%	5.3%	2.2%
EBITDA	5,205	5,812	6,097	17.1%	4.9%	2.6%	1.1%
EBITDA Margin (%)	52.0%	47.5%	48.2%				
PAT	3,737	3,896	3,688	-1.3%	-5.3%	2.9%	3.2%

Source: Company, JM Financial, Bloomberg.

Exhibit 2. 2QFY26 consolidated performance

INR mn unless mentioned otherwise	2QFY25	1QFY26	2QFY26
Revenue	10,014	12,239	12,656
% y-y	18.0%	21.2%	26.4%
Operational Expenses	3,702	5,363	5,391
As % of sales	37.0%	43.8%	42.6%
Employee cost	604	529	588
As % of sales	6.0%	4.3%	4.6%
Other expenses	502	534	580
As % of sales	5.0%	4.4%	4.6%
EBITDA (ex FX loss)	5,205	5,812	6,097
EBITDA margin (%)	52.0%	47.5%	48.2%
D&A	1,339	1,435	1,485
EBIT	3,867	4,377	4,612
EBIT margin (%)	38.6%	35.8%	36.4%
Finance cost	747	913	993
Other income	868	899	1,067
FX (gain)/loss	(1,551)	(363)	53
PBT	5,539	4,726	4,633
PBT margin (%)	55.3%	38.6%	36.6%
Tax (total)	1,802	830	945
Tax rate (%)	32.5%	17.6%	20.4%
PAT	3,737	3,896	3,688
PAT margin (%)	37.3%	31.8%	29.1%

Source: Company, JM Financial

Key concall takeaways

Ports Business

- **Volume growth guidance marginally reduced due to headwinds from low iron ore volumes:** The management has marginally reduced the volume growth guidance to 8-10% vs. 10%. 1HFY26 volume came in at 58.2mnt (+4% y-y). Excluding the weakness in iron ore volumes, volume growth in 1HFY26 would have been 10% y-y. Iron ore volumes for four terminals in ports of Dhamra, Paradip and Gopalpur have fallen to 9mnt in 1HFY26 vs. 16mnt in 1HFY25. However, with improvement in pricing, iron ore volumes have begun to recover but still are likely to decline y-y in 3QFY26. The management also noted that the planned shutdown at Vijaynagar port in the coming quarters is not likely to have any significant impact on cargo volumes.
- **Price hike at select ports coupled with higher volume share from Jaigarh, Dharamtar and South West port Goa led to rise in realisations and profitability for ports:** Port realisation for 2QFY26 is up 7% y-y and EBITDA/t is up 12% y-y in 2QFY26. The management attributed this increase to price hike undertaken at Ennore coal terminal and South West Port Goa (which will be sustained in 2HFY26), coupled with higher volume share from Jaigarh, Dharamtar and South West port Goa (due to lower royalty).
- **Project Updates & Pipeline Progress:** Progress in key port projects is on track with successful conclusion of public hearings for Keni port (Karnataka) and Murbe port (Maharashtra). It has also signed a 30-year concession agreement for the berths acquired at the Kolkata port (capacity of 6.3mtpa). For the Jatadhar port, regulatory approvals and in place, construction has commenced and the project is on track to be delivered by FY27. The slurry pipeline has also achieved 60-70% completion and is on track to be completed by FY27.
- **Port privatisation plan- near term pipeline:** The management highlighted potential projects to come up under the port privatisation plan. This includes four terminals at Paradip port (South quay, CQ1, CQ2 and IOHP) and balance part of the Netaji Subhash Dock in Kolkata.
- **Expects 90% occupancy at the Kolkata berth once operations stabilise:** According to the management, the Kolkata port serves as a gateway for Nepal cargo. In recent years, due to lack of equipment/mechanisation, these volumes were lost to the Vishakhapatnam port. JSWINFRA expects to complete mechanisation of the berth in 15-18 months and expects to regain 30-40% volumes of the Nepal traffic, leading to ~90% occupancy of the Kolkata berth once mechanisation is complete.

Logistics Business

- **Maintained guidance for Logistics revenue/EBITDA for FY26:** The management has maintained the guidance of INR7bn-8bn in revenue and INR1bn in EBITDA from the logistics segment for FY26. With 1HFY26 EBITDA already at INR0.45bn, we view the guidance as achievable.
- **Long-term growth plan for logistics including INR 90bn in capex and INR 80bn in revenue by FY30:** The management had guided for INR90bn in capex for logistics segment by FY30. Of this, it has incurred capex of INR 10bn in acquisition of Navkar and INR 0.6bn in the acquisition of brownfield rail siding in Kudathini, Ballari where it plans to develop a multi-modal logistic park including container handling systems, a rail freight terminal and an inland container depot (ICD). It expects a total capex of INR 3.8bn to develop this MMLP (including acquisition cost). By FY30, JSWINFRA plans to have a logistics asset base consisting of 107 specialised rakes, 177 container rakes, 24 rail terminals and 4-5 other terminals. The management expects a revenue of INR 80bn from logistics with domestic/EXIM cargo contributing 60%/40%. It expects group cargo to contribute 35-40% of revenue. It maintains steady state EBITDA margin of 25% for this business.

Other key takeaways

- **Other income had one off component of INR 280mn:** 2QFY26 other income at INR1.07bn was up 23% y-y. The management noted that this included some one off items including insurance claim of INR 180mn and an arbitration provision reversal of INR 100mn.
- **Capex guidance maintained at INR 40bn for ports and INR 15bn for logistics for FY26:** JSWINFRA has incurred capex of INR 9bn in 1HFY26 but has capex commitments of INR 33bn. While the spend may spill over beyond FY26, key projects on both ports as well as logistics are on track.

Estimates unchanged

Our EBITDA estimates for FY26/27 are largely unchanged. The decline in estimates due to lower iron ore volumes is offset by improvement in profitability.

Exhibit 3. Our FY26/27 EBITDA estimates are unchanged

INR mn unless mentioned otherwise	New		Old		Change	
Sales	53,030	79,211	53,187	78,978	-0.3%	0.3%
EBITDA	26,377	33,148	26,733	33,149	-1.3%	0.0%
EBITDA margin (%)	49.7%	41.8%	50.3%	42.0%	-52.2bps	-12.4bps
PAT	15,698	15,863	16,072	15,890	-2.3%	-0.2%

Source: Company, JM Financial

Valuation: DCF derived TP of INR395

We estimate that, besides the announced capex pipeline of INR 390bn, JSWINFRA has further capacity to incur annual capex of INR30bn-40bn to remain within its net debt to EBITDA target of 2.5x (1HFY26 at 0.75x). Its track record of within-budget execution and asset turnaround suggests ability to generate 16-18% RoCE on investments. We estimate that with commissioning of key projects like Jatadhar and Keni as well as further growth capex JSWINFRA can achieve INR80bn-90bn in EBITDA by FY30. Our DCF-based TP of INR 395 implies an exit (FY30E) multiple of 13.5x discounted at a WACC of 9% to 1HFY27, which we view as reasonable. We believe that in the event of a QIP to reduce promoter stake an additional INR 250bn of capex can be supported, which can potentially add another INR70-80/sh to our TP at RoCE of investments of 16-18%.

Exhibit 4. DCF-derived TP of INR 395

	INR mn	INR/sh
NPV	8,09,679	395
Terminal payments	59,948	29
Total value (EV)	8,69,626	424
Value by port assets		
Jaigarh	2,34,688	114
Dharamtar	51,449	25
Jatadhar	1,71,775	84
Keni	90,195	44
Fujairah	34,495	17
Paradip coal	27,507	13
Paradip iron ore	19,383	9
Rail	43,075	21
Others	36,095	18
Growth assets	1,17,890	57
Net Debt (FY26)	58,229	28
Equity value	8,11,397	395
Value from existing assets	6,93,508	338
Growth opportunities	1,17,890	57

Source: JM Financial, Company

Exhibit 5. A QIP can potentially add INR 74/sh in valuations

Parameter	Value	
Promoter Shareholding Current	83.62%	
Final Promoter holding (after dilution)	75%	
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: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	37,629	44,761	53,030	79,211	1,18,129
Sales Growth	17.8%	19.0%	18.5%	49.4%	49.1%
Other Operating Income	0	0	0	0	0
Total Revenue	37,629	44,761	53,030	79,211	1,18,129
Cost of Goods Sold/Op. Exp	13,587	17,435	21,083	38,862	58,228
Personnel Cost	2,846	2,407	2,846	3,133	4,672
Other Expenses	1,550	2,298	2,723	4,067	6,066
EBITDA	19,646	22,622	26,377	33,148	49,162
EBITDA Margin	52.2%	50.5%	49.7%	41.8%	41.6%
EBITDA Growth	21.3%	15.1%	16.6%	25.7%	48.3%
Depn. & Amort.	4,365	5,466	6,070	8,113	7,591
EBIT	15,281	17,156	20,308	25,036	41,571
Other Income	2,694	3,530	3,559	2,021	2,302
Finance Cost	3,325	2,657	4,005	5,600	7,314
PBT before Excep. & Forex	14,650	18,028	19,861	21,457	36,559
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	14,650	18,028	19,861	21,457	36,559
Taxes	3,043	2,814	3,972	5,401	9,202
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	44	183	192	194	330
Reported Net Profit	11,563	15,031	15,698	15,863	27,027
Adjusted Net Profit	11,563	15,031	15,698	15,863	27,027
Net Margin	30.7%	33.6%	29.6%	20.0%	22.9%
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	7.7	7.7	13.2
Diluted EPS Growth	40.4%	30.0%	4.4%	1.1%	70.4%
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	15,889	16,057	27,357
Depn. & Amort.	4,365	5,466	6,070	8,113	7,591
Net Interest Exp. / Inc. (-)	3,325	2,657	4,005	5,600	7,314
Inc (-) / Dec in WCap.	-1,141	41	4,215	-2,481	-4,689
Others	-3,167	-5,188	-7,402	-8,168	-14,092
Taxes Paid	3,043	2,814	3,972	5,401	9,202
Operating Cash Flow	18,032	21,004	26,750	24,521	32,683
Capex	-21,056	-30,334	-64,234	-68,423	-45,857
Free Cash Flow	-3,024	-9,330	-37,483	-43,902	-13,174
Inc (-) / Dec in Investments	-221	17	0	0	0
Others	-20,746	13,405	3,559	2,021	2,302
Investing Cash Flow	-42,024	-16,912	-60,675	-66,401	-43,555
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	-4,005	-5,600	-7,314
Financing Cash Flow	25,039	-5,213	34,535	35,454	20,200
Inc / Dec (-) in Cash	1,047	-1,121	610	-6,427	9,328
Opening Cash Balance	6,187	7,234	6,113	6,593	912
Closing Cash Balance	7,234	6,113	6,723	166	10,240

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	80,264	96,969	1,12,667	1,28,530	1,55,557
Share Capital	4,103	4,147	4,147	4,147	4,147
Reserves & Surplus	76,161	92,822	1,08,520	1,24,383	1,51,410
Preference Share Capital	0	0	0	0	0
Minority Interest	2,047	7,919	8,110	8,304	8,634
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	2,01,544	2,58,654	3,13,525
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	43,368	41,629	60,995
Inventories	1,117	1,338	1,588	2,148	3,205
Sundry Debtors	6,768	8,090	9,603	12,985	19,378
Cash & Bank Balances	40,902	24,821	25,301	19,620	31,536
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	17,248	18,708	21,469
Current Liabilities	8,209	8,565	9,218	10,679	13,440
Provisions & Others	2,610	8,029	8,029	8,029	8,029
Net Current Assets	41,825	29,856	26,121	22,921	39,526
Total - Assets	1,23,165	1,47,115	2,01,544	2,58,654	3,13,525

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	30.7%	33.6%	29.6%	20.0%	22.9%
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%	15.0%	13.2%	19.0%

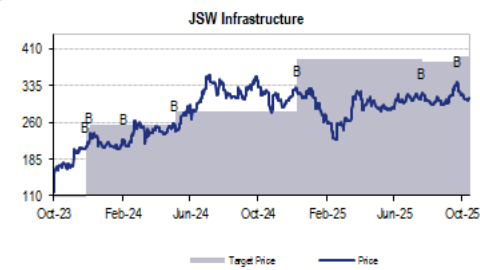
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	39.1	47.3	54.9	62.7	75.8
ROIC	16.5%	13.9%	10.7%	8.9%	11.8%
ROE	19.2%	17.0%	15.0%	13.2%	19.0%
Net Debt/Equity (x)	0.0	0.2	0.5	0.8	0.8
P/E (x)	54.8	42.2	40.4	40.0	23.5
P/B (x)	7.9	6.5	5.6	4.9	4.1
EV/EBITDA (x)	32.5	29.3	26.6	22.6	15.6
EV/Sales (x)	17.0	14.8	13.2	9.5	6.5
Debtor days	66	66	66	60	60
Inventory days	11	11	11	10	10
Creditor days	72	58	57	44	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
24-Sep-25	Buy	395	2.7

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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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