



India's Best Performing and Most Customer Centric PMS

JSW Steel's narrative is a saga of audacious dreams translated into tangible achievements. Its visionary leadership, comprehensive product offerings, global outreach, and unwavering commitment to innovation set the stage for remarkable returns on investment. As we delve into the depths of JSW Steel's operational prowess and strategic brilliance, it is evident that this company embodies the spirit of forward-thinking investments, appealing to investors who seek to align with a force that doesn't just create wealth but revolutionizes industries.

A beacon of growth, innovation, and strategic brilliance in the steel industry. Its visionary leadership, diverse product offerings, global presence, and constant pursuit of value addition position it as an attractive proposition for discerning investors. The company's journey is a testament to its potential to deliver substantial returns while contributing to India's industrial prowess.

A Transformational Journey: Defining Excellence JSW Steel's journey is marked by strategic milestones that have reshaped the landscape of the industry. The company's acquisition of Bhushan Power and Steel Ltd. (BPSL) in 2021 not only bolstered its market presence but positioned it as India's largest steel producer. This pivotal move underlines JSW Steel's growth-focused vision and determination to redefine industry standards.

Global Presence, Local Excellence: Amplifying Reach and Impact JSW Steel's dominance extends well beyond Indian borders, with a robust distribution network reaching over 100 countries. While it generates a formidable 79% of revenue from domestic operations, its exports contribute a substantial 21%, illustrating its prowess on both local and global fronts. This balance in revenue sources underscores the company's resilience and adaptability to dynamic market conditions.

Navigating Challenges with Tenacity JSW Steel's international ventures have faced challenges, notably in the US and Italy, where external factors like revised steel tariffs and weak demand have impacted performance. However, the company's proactive approach, including modernization efforts, demonstrates its resilience and determination to overcome obstacles.

Value through Innovation: Elevating Margins, Enriching Quality The strategic pivot towards increasing the revenue share from Value Added Steel Products (VASP) showcases JSW Steel's keen foresight. This shift is a testament to the company's dedication to innovation and quality. It not only augments margins but also reaffirms JSW Steel's commitment to delivering exceptional value to its customers and stakeholders.

Vision for Sustainability and Growth: Pioneering Pathways for the Future JSW Steel's ambitions are not confined to mere expansion; they are intricately interwoven with sustainability goals. The company's aggressive expansion plans, such as the Dolvi Capacity expansion and Vijaynagar manufacturing integration, stand as bold statements of its proactive approach towards sustainable growth. By aligning its growth trajectory with eco-conscious practices, JSW Steel is setting an inspiring precedent for the industry.

Stock Data	
CMP	815
52 Week High/Low	835/614
Face Value	1
Market Cap (In Crs)	1,97,439
Enterprise Value (In Crs)	2,55,031
NSE	JSWSTEEL
BSE	500228
Bloomberg	JSTL:IN
Sector	Metals & Mining

Shareholding Pattern (in %)		
	JUN 23	MAR 23
Promoter	45.4	45.4
FII	25.98	26.01
DII	10.01	9.98
Public	17.99	18.07
Others	0.53	0.54

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	1.08%	11.38%	11.73%
JSW Steel	0.77%	21.51%	19.68%

Key Ratios	
P/E	35.50
P/S	1.16
P/B	3.06
Debt To Equity	1.23
ROE	5.64%
ROCE	8.41%
Dividend Yield	0.42%

Q1 FY 24 Result Update

Q1 FY24 Result Comparison (In Rs Cr)					
	Q1 FY24	Q4 FY23	Q1 FY23	QOQ	YOY
Sales	42,213	46,962	38,086	-10%	11%
EBITDA	7,046	7,939	4,309	-11%	64%
EBIT	5,443	6,387	2,703	-15%	100%
Net Profit	2,428	3,741	839	-35%	190%
EPS	9.67	15.16	3.46	-36%	180%

Result Highlights

JSW Steel's Q1 FY24 sales of INR 42,213 crore, down 10% QOQ, may reflect market dynamics. While QOQ EBITDA and EBIT declined, impressive YOY growth in these metrics showcases the company's cost efficiency. The staggering YOY growth underscores its profitability surge.

JSW Steel's YOY sales growth signals its adeptness in capitalizing on favorable economic conditions. The results overall illustrate its robust operational efficiency and the company's prowess in converting revenue growth into substantial earnings.

Despite QOQ fluctuations, JSW Steel's solid YOY performance reflects resilience and strategic prowess. While challenges persist, the company's sustained growth in sales, profitability, and earnings suggests a promising outlook for discerning investors.

Diversification and Innovation: JSW Steel's continuous growth is underscored by groundbreaking achievements, such as the development of a corrosion-resistant coated product tailored for solar applications. This innovation, outshining conventional coatings, enhances its competitive edge. The company's pioneering production of Zn-Mg-Al Coated Steel establishes it as an industry leader. Approval of 14 new grades/products in Q1 FY24 bolsters its future prospects.

Financial Strength and Leverage: JSW Steel maintains a robust financial standing, fortified by access to diverse liquidity sources and strong relationships with domestic and international financial institutions. The company's disciplined approach is reflected in its adherence to net gearing and leverage caps of 1.75x and 3.75x respectively, ensuring a secure and balanced financial profile.

Future-focused Expansion: The company's strategic expansion plan involves augmenting its steelmaking capacity in the next two years. With a resolute emphasis on decarbonization, JSW Steel's projects include cost-efficient initiatives like slurry pipeline and iron ore beneficiation plants in Odisha. The endeavor to operationalize new mines contributes to its long-term sustainability.

Digital Empowerment: JSW Steel pioneers a transformative digital marketplace catering to MSMEs and home solutions. Through a technology venture, it integrates material procurement, servicing, logistics, and credit financing for MSMEs, leveraging the group's extensive strength in building materials while collaborating with third-party products.

Data Science Integration: The company is unwavering in its pursuit of technological excellence, prioritizing automation and intelligence integration. By harnessing AI, Machine Learning, Deep Learning, and Analytics, JSW Steel is poised to achieve an end-to-end functional transformation and cultivate a digitally adept workforce.

Global Operations Excellence: JSW Steel's international operations showcase remarkable progress. In the US, improved performance at Ohio and Plate and Pipe Mill operations is driven by higher volumes. Italy's enhanced performance is attributed to a superior product mix, particularly an increased share of rails, bolstering the company's international standing.

Concall Highlights

Global Economic Resilience: Developed economies display remarkable resilience, prompting a 40 basis points upgrade in The World Bank's economic forecast. Lower inflation, decreased commodity prices, and energy costs collectively stimulate growth. India's thriving economy is propelled by optimistic sentiment, robust manufacturing, and substantial government spending.

Global Steel Industry Trends: Notable 1.2% dip in global steel production until May '23. China's growth slightly ascends; other regions experience a modest decline. Positive reception to China's cap on steel production at CY'22 levels in H2 '23, auguring well for the worldwide steel sector. India's steel production was up by 8.4% in Q1 FY24, contributing to a steady 13% growth in FY23.

Raw Material Costs and Price Dynamics: Anticipated moderation in coking coal prices; an estimated decrease of US\$45-50/tonne projected for Q2. Iron ore prices are yet to synchronize with steel price adjustments, though corrections are imminent. Encouragingly stabilized steel prices both in the international and domestic Indian markets; JSW Steel's Net Sales Realization (NSR) records improvement.

Strategic Vision and Expansion: JSW Steel's impressive 23% Compound Annual Growth Rate (CAGR) Total Shareholder Return (TSR) over 5 years underlines strategic acumen. Key priorities encompass sustainability integration, judicious capital allocation, cost leadership, value-added product innovation, technological readiness, and robust financial health. On a trajectory to amplify capacity to 37 million tonnes by FY25; strategic emphasis on efficient brownfield expansions. Medium-term expansion projects in Vijayanagar, Dolvi, and Jharsuguda underscore capital efficiency.

Financial Performance and Prospects:

Resilient Q1 FY24 performance despite escalated costs; a substantial 11% growth in crude steel production and an impressive 27% upswing in consolidated steel sales. Exports contribute 15% to the sales portfolio; prudent product mix offers a buffer against steel price volatility. Q1 revenue registers INR 42,213 crores, operating EBITDA at INR 7,046 crores, and net profit standing at INR 2,428 crores. Enhanced net debt to EBITDA ratio noted, progressing from 3.2x in March 2023 to 3.14x.

Capex Allocations and Production Outlook: Firm commitment to allocate INR 20,000 crores for capex endeavors across India and overseas in the fiscal year. Initial quarter witnessed INR 4,094 crores disbursed for capex within India, steadfastly adhering to annual capex commitments. On track to attain the projected annual guidance of 26.34 million tonnes production.

Ensuring Raw Material Security: Prudent strategic acquisitions fortify iron ore reserves in Karnataka, Goa, and Maharashtra. Unwavering focus extends to securing coking coal supplies through acquisitions, both domestic and international.

Market Realities and Future Potential: Stabilized steel prices supported by offsetting cost benefits in coking coal and iron ore. Negotiations pertaining to automotive price contracts poised to influence average prices.

Expanding Horizons: Strategic expansion blueprint targets a commendable 50 million tonnes capacity. Leverage of brownfield projects to tap into existing infrastructure; parallel progression of select greenfield ventures including a hydrogen plant and new steel facility in Odisha.

Debt Management and Sustainability Drive: Pragmatic adherence to net debt-to-equity and net debt-to-EBITDA ratios. Mindful investments channelled towards renewable energy and holistic measures to minimize carbon footprint.

Navigating Global Trade and Regulations:

Favourable outcome could usher in lucrative export avenues for JSW Steel.

Project Update - Expected Completion FY 24

5 MPTA brownfield project

- Construction activities for all packages underway
- Piping , Electricals & Equipment erection commenced for all packages

Coke Oven Plant

- 2nd Battery (Battery B) expected commissioning by Q2 FY24
- Capacity enhancement of further 1.5 MPTA to support the 5 MPTA steel-making expansion.

Expansion from 3.5 to 5 MTPA

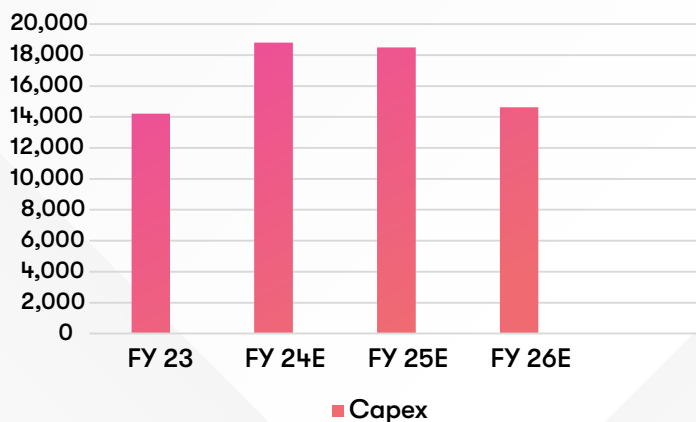
- Civil work & Structural Erection work in progress in New Wire Rod Mill-2 and SMS-2 Project
- Long lead-time items received at site, equipment erection started

Other Downstream projects

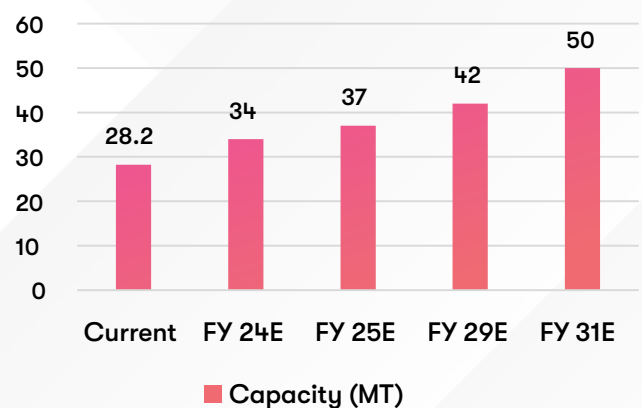
- 0.25 MTPA Color Coating line Production at Rajpura, Punjab
- 0.12 MTPA Color Coating line Production in Jammu & Kashmir

Story Through Charts

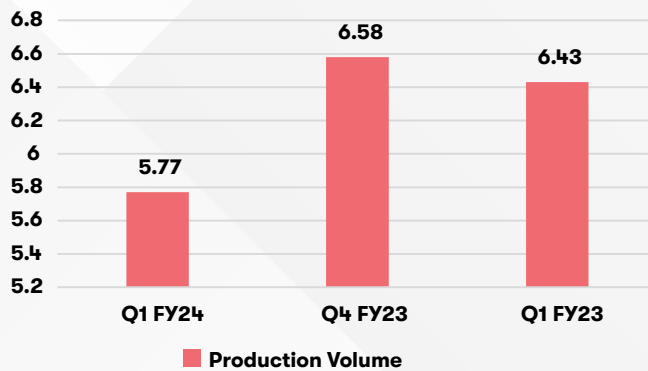
Capex Plan (In Crs)



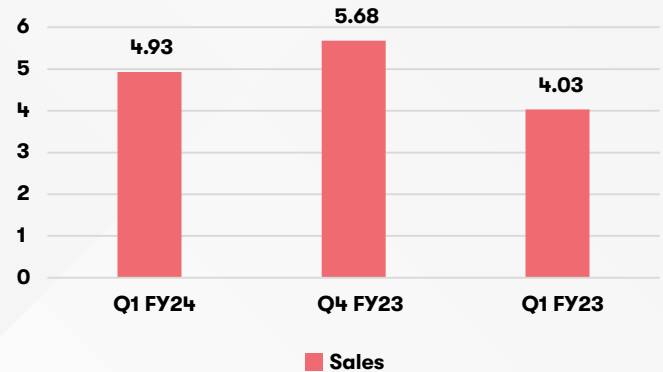
Capacity Growth Plan (MT)



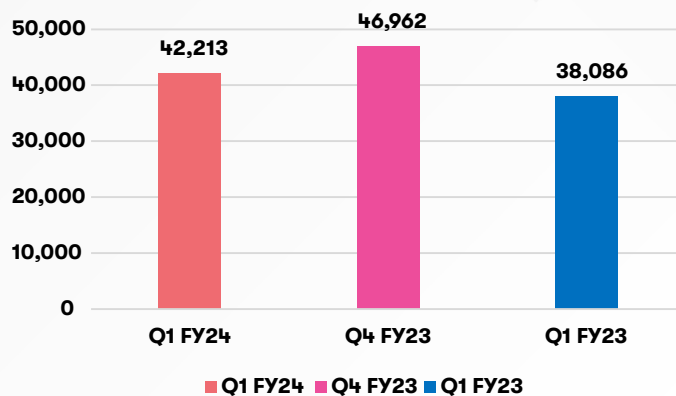
Crude Steel Production(MT)



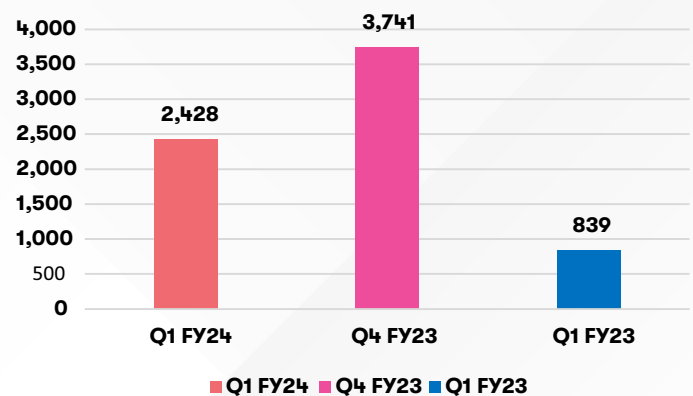
Steel Sales(MT)



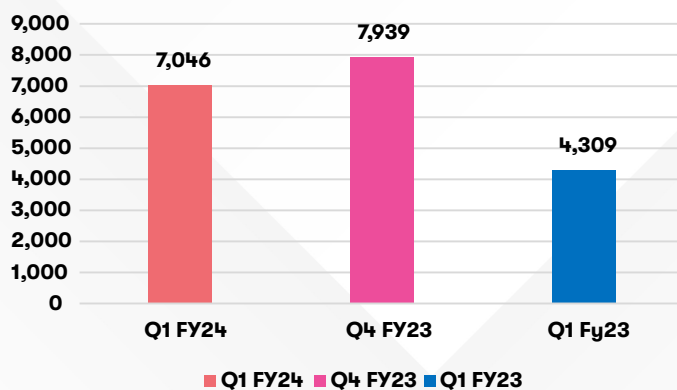
Revenue (In Cr)



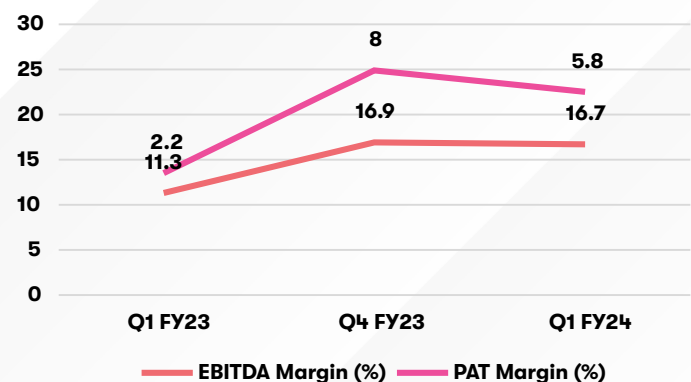
PAT (In Cr)



EBITDA (In Cr)



EBITDA & PAT Margin (In %)



Technical Outlook



JSW Steel Ltd Breaks Consolidation, Gears Up for New Highs: With a strong momentum fueled by improved fundamentals and a hefty order book, JSW Steel Ltd has broken out from a multi-year resistance and is poised for potential new highs.

Daily RSI and Weekly RSI is trading above 60 indicating strength in the buying.

The MACD histogram has displayed a robust increase in momentum alongside the stock's upward price movement, reinforcing the strength of the bullish trend.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	805.30	807.1
10	793.00	800.8
20	798.30	798.3
50	797.90	789.0
100	761.70	768.8
200	740.20	740.8

Pivot Levels : FIBONACCI			Relative Strength Index (RSI)	Daily	Weekly
R1 817.32	Pivot 811.90	S1 806.48			
R2 820.68		S2 803.12			
R3 826.10		S3 797.70			

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