

October 17, 2025

Soft Q2; Mid to long term growth outlook intact

About the stock: JSW Infrastructure Limited, part of the \$24 billion JSW Group is fast-growing ports-related infrastructure company and second-largest private port operator with a capacity of 177 million tons per annum (MTPA). It operates twelve Port Concessions and 2 port terminals under O&M agreements in UAE. Its logistics (Navkar, Gati Shakti Terminal) business owns 2450+ Domestic standard containers, 602 Trailers, 11 rakes, 6 RTG Cranes

Q2FY26 performance: JSW Infrastructure reported 26% YoY growth in net revenues at ₹ 1266 crore for Q2FY26 with port volume growth of 3% YoY affected by decline in Iron Ore volumes at Paradip (2.1 MT shortfall) while group volumes were up 6% YoY. Navkar Corporation reported 20% YoY growth in revenues at ₹ 163 crore while it turned profitable with net profit of ₹ 4 crore (net loss of ₹ 2 crore in Q2FY25). Consolidated EBITDA grew 17% YoY at ₹ 610 crore (Ports EBITDA margins rose 100 bps YoY to 53%). Overall, consolidated EBITDA margins were down 381 bps YoY at 48.2% (Navkar consolidation from Oct 2024). Consolidated PAT was down 3% YoY at ₹ 361 crore owing to forex gain of ₹ 155 crore in Q2FY25 versus ₹ 5 crore loss in Q2FY26.

Investment Rationale

- **Port's 2030 road map for growth remain intact:** The company is eyeing 8-10% Port cargo growth for FY26 despite a soft H1FY26 (+4% YoY growth) anticipating better H2, iron ore volumes revival and healthy group cargo volume growth outlook. It reiterated its commitment towards expanding its overall port capacity by 2.3x to 400 mtpa by FY30 from currently 177 mtpa led by a mix of greenfield and brownfield expansions. We retain our 11% CAGR volume growth for its Port business led by key expansions getting materialised from FY28 onwards.
- **Logistics business scale up to achieve ₹ 8000 crore revenues by FY30 stay intact:** The management reiterated its scale up plans for logistics vertical to achieve ₹ 8000 crore revenues/25% EBITDA margins by FY30. The same would be led by both organic and inorganic growth. Domestic revenues/ group customers to account for ~60%/ 35-40% of the segment revenues. It would be incurring ₹ 9000 crore capex (~₹ 1350 crore spent) to achieve its stated vision. For FY26, it maintained its EBITDA guidance of ₹ 100 crore (₹ 45 crore EBITDA in H1FY26).

Rating and Target Price

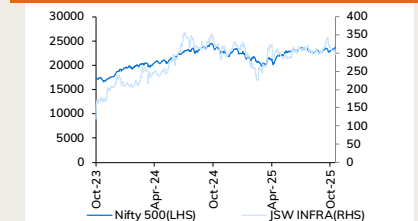
- We broadly retain our earnings estimates for FY26-FY28 (Revenues/EBITDA/PAT to grow at ~22%/20%/5% CAGR over FY2025-FY2028E).
- We retain our BUY rating with Target Price of ₹ 400/- i.e. 25x EV/EBITDA on FY28E.

**Particulars**

Particular	₹ crore
Market Capitalisation	62454
Gross Debt (FY25)	4460
Cash (FY25)	2482
EV (₹crore)	63644
52 week H/L	349/218
Equity capital	415
Face value	₹ 2

Shareholding pattern

Particular	Sep-24	Dec-24	Mar-25	Jun-25
Promoters	85.6	85.6	85.6	83.6
FII's	4.2	4.1	4.8	6.6
DII's	2.5	2.7	2.7	2.8
Others	7.7	7.6	6.9	6.9

Price Chart**Key risks**

- volume growth & slower economy growth
- Decline in group companies' cargo (JSW Steel, JSW Energy)
- Inability to timely scale up its Ports & Logistics verticals

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Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	2-Year CAGR (FY23-25)	FY26E	FY27E	FY28E	3 year CAGR (FY25-28E)
Revenues	3,195	3,763	4,476	18.4%	5,477	6,332	8,097	21.8%
EBIDTA	1,620	1,965	2,262	18.2%	2,589	2,944	3,945	20.4%
EBIDTA Margins(%)	50.7	52.2	50.5		47%	46%	49%	
Adjusted PAT	740	1,156	1,503	42.5%	1,557	1,540	1,718	4.6%
EPS (Rs.)	4.1	5.6	7.2		7.5	7.4	8.3	
EV to EBIDTA (x)	39.6	31.5	28.1		26.2	25.0	19.8	
RoNW (%)	20.4	19.2	17.0		15.0	13.0	12.9	
RoCE (%)	16.7	13.9	13.1		11.1	9.1	8.6	

Source: Company, ICICI Direct Research

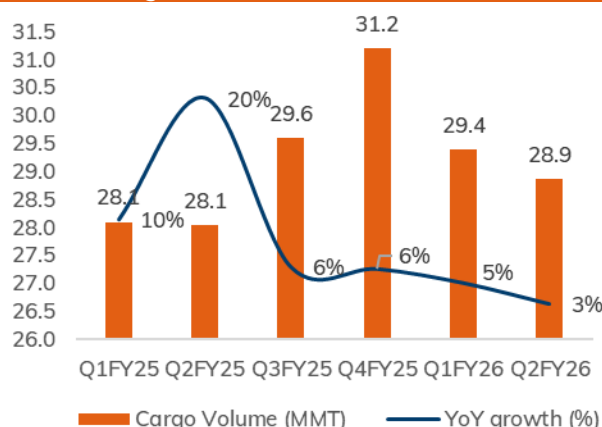
Recent earnings call highlights:

- **Guidance and Outlook:** The management is looking at 8-10% Port volumes growth for FY26 on the back of 1) H2 to be better than H1 2) Iron Ore volume trend in October is better than H1 and 3) group level growth outlook is good. It maintained EBITDA guidance for logistics at ₹ 100 crore for FY26 (₹ 45 crore in H1FY26). Overall, consolidated EBITDA margins are expected to oscillate between 45-50% going ahead due to logistics business.
- **Logistics vision:** The management reiterated its vision for Logistics business to achieve ₹ 8000 crore revenues (mix of organic and inorganic growth) by 2030. It plans to add 284 rakes (107 specialized, 177 container rakes) and 30 terminals (24 rail terminals, 5 port terminals) by 2030-31. Domestic : EXIM mix is expected to be 60:40 and group customers mix is expected to be 35-40%. Out of the planned ₹ 9000 crore capex, it has spent ₹ 350 crore towards Kudathini rail sliding and ₹ 1000 crore Navkar acquisitions.
- **Greenfield projects status:** It is on track for three greenfield port projects expansions viz. Keni Port (Karnataka), Murbe Port (Maharashtra) and Jatadhar Port (Odisha) which would be adding 93 mtpa capacities in aggregate. The construction on Keni and Murbe ports is expected to start in due course. Jatadhar Port and Slurry pipeline (Odisha) remains on track to get completed by March 2027.
- **Q2FY26 performance:** Consolidated revenues were up 26% YoY at ₹ 1372 crore. Incremental revenues of ₹ 265 crore comprised Navkar - ₹ 162 crore, balance ₹ 100 crore bifurcated as ₹ 27 crore pricing-led (rate increase in Ennore coal terminal and SWPL) and ₹ 68 crore volume-led. Consolidated EBITDA was up 17% YoY at ₹ 610 crore while PAT was lower 3% YoY at ₹ 361 crore.
- **Ports performance:** Total cargo handled was up 3% YoY at 28.9 mtpa in Q2FY26. Overall cargo volumes were affected by lower volumes at Paradip Iron Ore Terminal (lower 2.1 MT YoY) due to weak macros affecting iron ore exports. Group cargo volumes were up 6% YoY, driven by strong performance at South West Port, Jaigarh Port and Dharamtar Port (cargo related additional services enhanced realisations in these ports). Port revenues/EBITDA were up 10%/12% YoY at ₹ 1103 crore/₹ 585 crore while Port EBITDA margins improved to 53% versus 52% in Q2FY25.
- **Logistics performance:** Navkar's EXIM volumes grew 20% YoY to 79,000 TEUs in Q2FY26 while domestic volumes were up 46% YoY at 394,000 MT. Navkar revenues were up 20% YoY at ₹ 163, EBITDA stood at ₹ 25 crore and net profit at ₹ 4 crore (versus net loss of ₹ 2 crore in Q2FY25) for Q2FY26.
- **Capex:** It has already made a capex related commitment of ₹ 3300 crore and spent ₹ 902 crore in H1FY26. For FY26, Capex for ports and logistics businesses is maintained at ₹ 4000 crore and ₹ 1500 crore respectively.
- **Net Debt:** Its net debt stood at ₹ 1810 crore with net debt to TTM EBITDA at 0.75x.
- **Exchange gain/loss:** It recognized ₹ 5 crore non-cash forex loss in Q2FY26 compared to ₹ 155 crore gain in Q2FY25. Excluding non-cash items, PBT was up 17% YoY.
- **Higher other income:** Higher other income is on account of receipt of insurance claim of ₹ 18 crore and reversal of arbitration claim in SWPL amounting ₹ 10 crore.
- **Surplus land:** The company has surplus land of 100 acres (60 acres in Panvel and 40 acres in Morbi). Out of 60 acres Panvel land, it would utilize 10-12 acres and monetize the balance. The Morbi 40 acres land is planned to be given on long term lease.

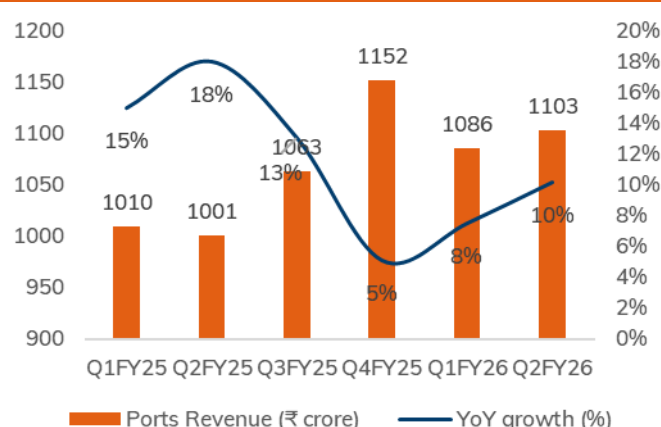
Exhibit 1: Quarterly Analysis

Particulars	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	Comments
Revenue from Operations	1,266	1,001	26.4%	1,224	3.4%	Navkar and price rise at Ennore coal terminal & SWPL lead the revenue growth. Port revenue grew by 10% YoY
Operating Expenses	539	370	45.6%	536	0.5%	
Employee Expenses	59	60	-2.7%	53	11.0%	
Other Expenditure	58	50	15.6%	53	8.6%	
Total Expense	656	481	36.4%	643	2.1%	
EBITDA	610	521	17.1%	581	4.9%	EBITDA margins lower YoY on account of Navkar consolidation
EBITDA Margin (%)	48.2%	52.0%	-381bps	47.5%	-69bps	
Depreciation	149	134	11.0%	143	3.5%	
Interest	105	-80	-230.0%	55	90.2%	
Other Income	107	87	22.9%	90	18.8%	
Less: Exceptional Items	-	-	-	-	-	
PBT	463	554	-16.4%	473	-2.0%	
Total Tax	94	180	-47.6%	83	13.8%	
Reported PAT	361	372	-2.8%	385	-6.1%	

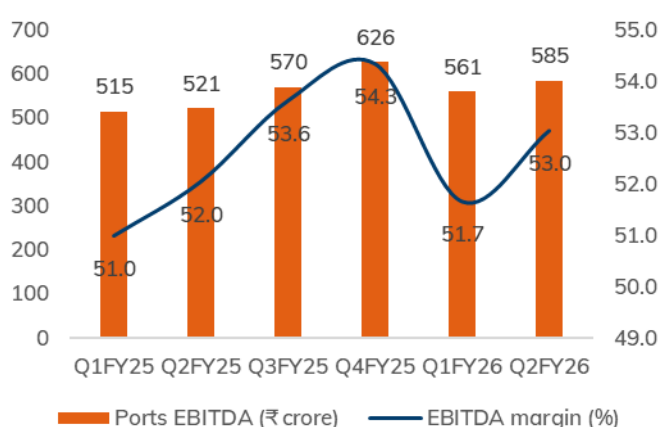
Source: Company, ICICI Direct Research

Exhibit 2: Cargo Volume trend


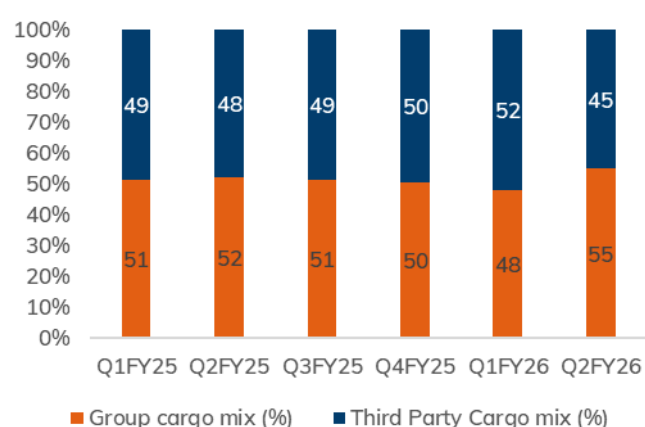
Source: Company, ICICI Direct Research

Exhibit 3: Ports revenues trend


Source: Company, ICICI Direct Research

Exhibit 4: Ports EBITDA trend


Source: Company, ICICI Direct Research

Exhibit 5: Ports Cargo Mix trend


Source: Company, ICICI Direct Research

Financial Summary

Exhibit 6: Profit and loss statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Total Operating Income	3763	4476	5477	6332	8097
Growth (%)	18%	19%	22%	16%	28%
Operating Expenses	1359	1743	2301	2723	3354
Gross Profit	2404	2733	3176	3608	4743
Gross Profit Margins (%)	63.9%	61.0%	58.0%	57.0%	58.6%
Employee Expenses	285	241	265	291	320
Other Expenditure	155	230	323	374	478
Total Operating Expenditure	1798	2214	2889	3388	4152
EBITDA	1965	2262	2589	2944	3945
Growth (%)	21.3%	15.1%	14.4%	13.7%	34.0%
Interest	332	266	384	639	906
Depreciation	436	547	591	637	1118
Other Income	269	353	358	286	257
PBT before Exceptional item	1465	1803	1971	1953	2178
Total tax	304	281	394	391	436
PAT before minority interest	1161	1521	1577	1562	1743
Minority interest	4	18	20	22	24
Profit from associates	0	0	0	0	0
PAT	1156	1503	1557	1540	1718
Growth (%)	56.3%	30.0%	3.6%	-1.1%	11.5%
EPS (Adjusted)	5.6	7.2	7.5	7.4	8.3

Source: Company, ICICI Direct Research

Exhibit 8: Balance sheet

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Equity Capital	410	415	415	415	415
Reserve and Surplus	7616	9282	10714	12130	13723
Total Shareholders funds	8026	9697	11129	12545	14138
Minority Interest	205	792	812	834	859
Total Debt	4284	4460	8347	12963	17235
Current Liability	1165	1824	2251	2602	3327
Long-Term Provisions	13	34	34	34	34
Other Non Current Liabilities	0	0	0	0	0
Total Liabilities	13694	16807	22574	28979	35593
Gross Block - Fixed Assets	6581	8958	15555	23400	30778
Accumulated Depreciation	1468	2014	2605	3242	4360
Net Block	5113	6943	12950	20158	26418
Capital WIP	132	2020	2020	2020	2020
Fixed Assets	5245	8963	14970	22178	28438
Intangible assets	2645	2580	2580	2580	2580
Investments	244	183	183	183	183
Other non-Current Assets	192	338	338	338	338
Inventory	112	134	147	162	178
Debtors	677	809	915	1058	1353
Other Current Assets	200	412	412	412	412
Loans & Advances	289	907	900	1041	1331
Cash	4090	2482	2128	1027	781
Total Current Assets	5368	4744	4503	3700	4055
Creditors	356	349	450	520	665
Provisions	13	34	34	34	34
Other Current Liabilities	809	1475	1801	2082	2662
Total Current Liabilities	1165	1824	2251	2602	3327
Net Current Assets	4203	2920	2252	1098	728
Application of Funds	13694	16807	22574	28979	35593

Source: Company, ICICI Direct Research

Exhibit 7: Cash Flow Statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Profit/loss after taxation	1217	1529	1577	1562	1743
Add: Depreciation & Amortization	436	547	591	637	1118
Add: Interest Paid	3	266	384	639	906
Others	260	-245	-318	-286	-257
Net Increase in current assets	-18	98	-113	-298	-601
Net Increase in current Liabilities	-96	-94	427	351	725
CF from operating activities	1803	2100	2548	2606	3634
(Purchase)/Sale of Fixed Assets	-248	-2075	-6597	-7845	-7378
Investments	-385	-2303	0	0	0
Others	607	2155	318	286	257
CF from Investing activities	-26	-2223	-6280	-7559	-7120
Issue of Equity	2755	-28	0	0	0
(inc)/Dec in Loan	1	-71	3887	4616	4271
Divident & Divident tax	0	-116	-125	-125	-125
Less: Interest Paid	-248	-306	-384	-639	-906
Others	-5	0	0	0	0
CF from Financing activities	2504	-521	3378	3852	3241
Net Cash Flow	2459	-1608	-354	-1101	-246
Cash and Cash Equivalent	1632	4090	2482	2128	1027
Cash	4090	2482	2128	1027	781

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Per share data (₹)	5.6	7.2	7.5	7.4	8.3
Adjusted EPS	5.6	7.2	7.5	7.4	8.3
Cash EPS	7.7	9.9	10.4	10.5	13.7
BV per share	41.1	48.8	55.7	62.5	70.2
Cash per Share	19.7	12.0	10.3	5.0	3.8
Dividend per share	0.0	0.0	0.5	0.5	0.5
Operating Ratios (%)					
Gross Profit Margins	63.9	61.0	58.0	57.0	58.6
Operating EBITDA margins (%)	52.2	50.5	47.3	46.5	48.7
(Adjusted) PAT Margins	30.7	33.6	28.4	24.3	21.2
Cash Conversion Cycle	42	48	41	40	39
Fixed asset turnover (x)	0.7	0.5	0.4	0.3	0.3
Return Ratios (%)					
RoE	19.2	17.0	15.0	13.0	12.9
RoCE	13.9	13.1	11.1	9.1	8.6
RoIC	16.1	13.8	10.4	8.5	8.0
Valuation Ratios (x)					
P/E	52.7	41.0	39.6	40.0	35.8
EV / EBITDA	31.4	28.1	26.2	25.0	19.8
EV / Net Sales	16.4	14.2	12.4	11.6	9.6
Market Cap / Sales	16.4	13.8	11.2	9.7	7.6
Price to Book Value	7.2	6.1	5.3	4.8	4.2
Solvency Ratios					
Debt / EBITDA	2.2	2.0	3.2	4.4	4.4
Debt / Equity	0.5	0.5	0.8	1.0	1.2

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%



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